

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

May 29, 2024

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	Olivia Campbell Andersen	Jean Hamilton
Betsy Allen	Don Douglas	Stephen Knowlton
Pat Barnes	Steven Farnham	Mary Just Skinner

Also present were General Manager (GM) Louis Porter; Attorney Nick Low 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 (P&S) Bill Powell; Director of Special Projects & Innovation (SP&I) JJ Vandette; and Administrative Assistant Dawn Johnson. Directors Campbell Andersen, Hamilton, and Skinner, staff member Powell, and members Ian Buchanan and Roger Fox of Walden, attended remotely. Director Campbell Andersen joined at 4:07 p.m. and Director Hamilton joined at 4:14 p.m. Member Fox left at 5:15, member Buchanan left at 5:45 p.m., Director Campbell Andersen left at 6:14 p.m. and Director Allen left at 6:23 p.m.

President Knowlton introduced Attorney Nick Low to the Board and staff.

ELECTION OF OFFICERS

On a motion by Director Barnes, seconded by Director Farnham, the Board voted to elect the current slate of officers, Stephen Knowlton as President, Mary Just Skinner as Vice President, Don Douglas as Treasurer, and Betsy Allen as Secretary. The motion passed all in favor 9-0.

CONSENT AGENDA

The consent agenda included the minutes of the April 2024 regular Board meeting held April 24, 2024.

President Knowlton declared the minutes of the regular April 2024 meeting of the Board of Directors, held April 24, 2024, approved.

EQUITY DISTRIBUTION 2024

President Knowlton, GM Porter and Director of Finance Greenslit reviewed the recommendation for this year's \$278,833.00 Equity Distribution. The amount was agreed upon by staff and the FAPP Committee at the May 8, 2024, FAPP meeting. Greenslit provided a brief history regarding past years' distribution amounts and utilizing both LIFO and FIFO to retire. This year's distribution will be only FIFO, and WEC will be able to fully retire capital credits that were allocated in 1999, all previous years already having been retired. The Board briefly discussed the 2024 plan and President Knowlton noted his rationale for continuing to retire at least some capital credits each year.

Director Douglas made the motion to approve the 2024 Equity Distribution plan, that represents a total retirement of \$278,833. The retirement is all FIFO \$278,8833 to fully retire 1999. The motion was seconded by Director Alexander. The motion passed all in favor 9-0.

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 LOC from CFC. This is an annual renewal requiring Board approval. The renewal of the LOC had been

unanimously supported by the FAPP Committee at its May 8 meeting. There was a discussion about increasing the LOC level with CFC, but discussions by staff with CFC had indicated that they preferred WEC to seek an additional LOC instead.

On a motion made by Director Douglas, seconded by Director Allen, the Board voted to adopt the proposed resolution for an uncommitted \$2.6 million line of credit with CFC. The motion passed 9-0.

ADDITIONAL LOC OF CREDIT

In a related issue, GM Porter informed the Board that WEC is exploring additional lending opportunities with CoBank. The FAPP Committee preliminarily approved for WEC to seek a potential second LOC with CoBank for an amount between \$1 and \$1.5 million. The Board will be provided with the full request for approval once CoBank's review is complete and if WEC is determined eligible for this LOC.

VEC AND NEAEC ANNUAL MEETING RECAPS

Directors Skinner, Douglas and Farnham attended VEC's 2024 annual meeting. A few comparisons between VEC and WEC's annual meeting were noted. It was recognized that the relationship between VEC and WEC is appreciated and useful.

Director Douglas and GM Porter, on behalf of WEC, virtually attended the NEAEC's annual business meeting, Thursday, May 16th.

Director Knowlton noted the upcoming NEAEC conference occurring in the fall. More information regarding this conference will be provided to the Board in the near future.

WEC ANNUAL MEETING RECAPS

The Board discussed the May 2nd annual meeting's logistics and success. There were recommendations to have an additional microphone available during the question and answer segment, and more appetizers and dessert. Director Skinner noted that she liked how WEC has their board President and Treasurer speak as well as recognizing the longevity of employees.

President Knowlton briefly entertained the idea of electronic voting. The integration of electronic voting will be discussed more soon.

QUARTERLY FINANCIALS REPORT

Director of F&A Greenslit reviewed the 2024 first-quarter financial report. Greenslit noted that she is monitoring large storms and property tax expenses. WEC did increase the budget for both line items but with the increase in intensity of storms and the reassessment of property by the towns the increase may not have been enough. It is projected that there could possibly be a need for a 1% rate increase next year. GM Porter added that some of the increase on storm costs is due to using mutual aid sooner rather than later during storms. Because the storm budget is calculated on a 5-year rolling average of costs, the increase in actual storm costs over the last few years will average into upcoming storm recovery budgets.

GENERAL MANAGER'S REPORT

Coventry Load Reducer

GM Porter provided a brief overview concerning the Coventry plant's completion of the switch from being a power producer in the eyes of ISO-NE to a WEC system load reducer, or "behind ISO's meter" operation. The benefit is that WEC will be paying less toward power supply costs. Porter noted that an increased diligence is needed in having the plant operating efficiently during peak periods to minimize demand charges.

AMI Project

Director Skinner inquired about the progress of the AMI project. GM Porter explained that the timing of the project has worked to WEC's benefit. Director of SP & I Vandette's project management and Senator Sanders' funding have come together bringing the project plans nearing completion.

IRP

President Knowlton inquired about the progress of IRP through its regular regulatory review. GM Porter stated that the schedule was received, and the discovery period runs is through July 17th with WEC responses due in August. Barring no complications the filing will be complete by September.

CWP Loan

GM Porter and Director of F&A Greenslit outlined their plan to the Board to incorporate loan funds that were issued for past CWP projects into the current CWP. This would increase the current CWP request by \$1.5 million. Greenslit relayed information regarding RUS' current increase in lending and how the funds may be exhausted by September 2024. Porter requested guidance from the Board on how WEC should deviate somewhat from the method RUS funding was secured in the past and go forward in requesting additional funds now from RUS. The Board agreed with the staff's proposal of rolling \$1.5 million of expenditures for recently completed work into the current \$10.4 million request making the final request \$11.6 million. The Board will be asked to approve the final loan documents once they are completed.

OTHER BUSINESS

Director Farnham requested feedback regarding finding communication hardware debris in his field. GM Porter explained that WEC has liability for contractors WEC hires but no liability with the CUD contractors and so unfortunately there is little WEC can do to influence the CUDs. Farnham is concerned about WEC's reputation being associated with CUD's care and safety in the field. Director of E&O explained that WEC does reach out to members and the CUDs regarding debris.

EXECUTIVE SESSION

The Board entered executive session at 5:51p.m. to discuss the Cooperative's future planning strategy for the Wrightsville and GM Evaluation. The meeting reconvened in open session at 6:55 p.m.

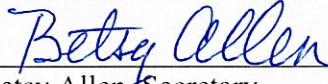
During the executive session the following action was taken:

The Board unanimously approved a motion by Director Douglas, seconded by Director Farnham, to support the General Manager's contract, retroactive to January 1, 2024.

There being no further essential business to discuss, the meeting adjourned at 7:00 p.m.

Betsy Allen, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on June 26, 2024, at which meeting a quorum of the Board was present and voting.



Betsy Allen, Secretary

