

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

December 4, 2024

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:06p.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 Ron Shems of the law firm Tarrant, Gillies, & Shems, the Cooperative's legal counsel; 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, Member Services Supervisor Susan Golden, and Administrative Assistant Dawn Johnson. Director Douglas, Attorney Ron Shems, and staff members, Powell and Vandette all attended via video teleconference. Director Hamilton arrived at 4:10 p.m. Director Douglas left at 5:53 p.m. Attorney Shems left at 6:00 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the October 2024 regular Board meeting held October 30, 2024. Director Farnham requested a change in the motion wording regarding his dissenting vote on the Wrightsville Hydro Project. Farnham requested the motion read "opposed to selling for philosophical reasons."

President Knowlton declared the minutes of the regular October 2024 meeting of the Board of Directors, held October 30, 2024, approved, with the requested amendment.

VELCO EQUITY CALL

Director of Finance Greenslit summarized the changes in Vermont Transco LLC's petition to the PUC regarding its upcoming equity call. VELCO is requesting a total investment from all VT Distribution Utilities in the amount of \$150M, to be purchased over the next four years with the option to elect to defer purchase of the full subscription over the next six (6) years from the closing date of December 27, 2024. This is a different process than VELCO has used in the past. The FAPP committee met on 11/13/2024 and reviewed the VT Transco Equity Call and the changes in how they are issuing the call and what our options were to accept and schedule our investments over the next four years. WEC Management and the FAPP committee proposed to the Board to make an investment of \$697,480 on or shortly after December 27, 2024, which reflects WEC's share of transmitted power, based on its share of its state transmission load of approximately 1.74%. The additional investment earns a combined average return of approximately 12.5% and will increase income by \$81k for 2025.

A motion made by Director Douglas, seconded by Director Farnham, to recommend approval of the \$2,615,550 2024 Equity Call in VT Transco and authorize the General Manager to execute necessary agreements for four years of equity distribution and approve the recommended 2024 investment payment of \$697,480 to be paid on or shortly after December 27, 2024. The motion passed unanimously.

CAPITAL BUDGETS

General Manger Porter noted that the budgets were discussed in the recent FAPP meeting but were not voted on because they were waiting on the final power supply budget figures. Director of Finance Greenslit outlined the additional capital expenditure increase for 2025 being new fleet vehicles, the road pavement improvements needed on Fassett Road entering the warehouse property.

Director Hamilton discussed her recent attendance to a meeting that the Agency of Transportation stated their urgency to utilize 2024 available grant dollars for EV fleet purchases. Porter explained that WEC is aware and that the available dollars may be feasible for pickup trucks but not large fleet vehicles because of the lack of access to EV chargers in WEC territory and the necessity to guarantee the capability to perform restoration of service in the absence of grid power during outages. Director Hamilton expressed her interest in WEC's direction in expanding in the EV direction. Greenslit noted that there are some of WEC's fleet that could be EV eligible. Porter and President Knowlton noted that WEC would continue to explore the EV grant options.

On a motion by Director Skinner, seconded by Director Allen, the Board approved the 2025 Capital budget for \$801,979. The motion passed unanimously.

OPERATING BUDGETS

President Knowlton noted that the Operating Budget was reviewed in depth by the FAPP Committee and was reviewed prior to being presented to the full board.

GM Porter stated this budget is conservative in hopes that it will support unforeseen events and supports WEC in meeting its Tier 3 requirements.

Director Alexander commended Director of Finance Greenslit for all of her work in providing the Board with current financial information.

On a motion by Director Alexander, seconded by Director Barnes, the Board approved the 2025 Operating budget comprised of \$24,030,091 (\$383,588) and an estimated non-operating \$1,380,738. The motion passed unanimously.

RUS LOAN DOCUMENTS APPROVAL

Director of Finance Greenslit and GM Porter reviewed the process of including current CWP projects in the new CWP so that WEC can be paid for current projects through the RUS loan. There is 2.4 million dollars of approved loan dollars that need to be reimbursed.

A Motion made by Director Barnes, seconded by Director Farnham, to approve the final execution to borrow and amount not to exceed \$11,195,000 from the Rural Utilities Services for the 2024 – 2027 Construction Work Plan. The motion passed unanimously.

A Motion made by Director Barnes, seconded by Director Alexander to authorize the resolution requiring signature of the Board Secretary requesting a Treasury Mortgage Loan with RUS. The motion passed unanimously.

2025 ACTION PLAN

President Knowlton acknowledged the submission of the 2025 Action Plan document and noted that it should be reviewed annually by both the Policy Committee and the Board. GM Porter described the action plan as being projects outside the day-to-day routine duties of the cooperative. Porter added Right-Of-Way (ROW) to the Action Plan per the Policy committee's recommendation, as well as being willing to add next steps to the narrative in calendar year 2025. There was a brief discussion on cybersecurity and IT improvements and how it is now a day to day operation. There was also a discussion regarding staff evaluations.

Knowlton presented that he is creating a new board committee called the Board Governance Committee. This committee will be a group of directors that will review policy and work with staff to create a document that is useful for WEC staff. Knowlton noted that the first responsibility of this board committee will be to work with staff to ensure that the policy manual is accurate, up-to-date and amended as deemed necessary. The second function of the committee is to regularly evaluate the performance of the Board.

THIRD QUARTER FINANCIAL

Director of Finance Greenslit outlined the 3rd Quarter Financial report for the Board. Over budget trends are due to purchase power costs and property tax increases. Property taxes came in 11% over what was budgeted for 2024. There was a discussion about outage costs and causes, including qualifications as to how the size of a storm determines budget line items.

Greenslit informed the Board that WEC will be receiving 100% from the July 2023 FEMA event, which will support the 2024 year-end bottom line.

GM Porter discussed the ROW budget and the relationship with the contracted tree crews and the importance of the contracts.

WEC CAPITAL CREDITS COMMUNITY FUND REPORT

President Knowlton provided a brief overview of the community fund funds available for 2025 and the 2024 holiday project collections. Director Douglas outlined the new holiday recipient request for Community Family Fund created through CFC.

GENERAL MANAGERS REPORT

Director Campbell Anderson inquired about the Level II Charger program membership numbers. Director of Members and Marketing Powell explained that there is an increase in 2024 now that the transformer availability is more dependable than previously experienced. President Knowlton asked about the apparent slowing of growth in net-metering applications indicated in the monthly report. Powell explained one of the reasons for the slowdown is the current moratorium on net metering for the towns served by the Jackson Corner substation. He stated that members are still deciding to net meter, but it has nonetheless slowed down. Director Hamilton mentioned gaining an understanding of the State's funding plan for Solar for All and AOT's implementation of additional EV charging stations. She wondered how WEC could benefit from these plans. Porter and Powell informed the research that has already been attempted and that future research in the programs will be continued. Director Campbell Anderson provided an outline of upcoming programs.

GM Porter provided a brief explanation regarding Wrightsville potential buyers.

GM Porter recognized Director of Members and Marketing Powell retiring!

There being no further essential business to discuss, the meeting adjourned at 6:10pm.

Betsy Allen, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on January 8, 2025, at which a quorum of the Board was present and voting.

Betsy Allen, Secretary
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