

WASHINGTON ELECTRIC COOPERATIVE, INC.

85th ANNUAL MEMBERSHIP MEETING

May 2, 2024

The 85th Annual Membership Meeting was held at the Barre Auditorium in Barre, VT on Thursday, May 2, 2024, with 208 members, guests, and employees in attendance. The business meeting was called to order at 5:02 p.m. by President Stephen Knowlton.

INTRODUCTORY REMARKS

President Knowlton opened the meeting by introducing fellow board members, Susan Alexandar from Cabot; Betsy Allen, Secretary, from Plainfield; Don Douglas, Treasurer, from Orange; Steve Farnham from Plainfield, Mary Just Skinner, Vice President, from Middlesex; as well as Pat Barnes from Vershire, Richard Rubin from Plainfield, and Jean Hamilton from Plainfield who were absent. He continued by introducing Ron Shems of Tarrant, Gillies, & Shems, the Cooperative's legal counsel, and Katie Titterton, the Cooperative's Editor for Co-op Currents. Knowlton then recognized invited guests in attendance, Paul Lambert of Vermont Electric Cooperative (VEC) Energy Investment Corp and of Efficiency Vermont; Charles VanWinkle, Treasurer of VEC; Carl Demrow, Representative of the Orange 1 District and author; Jared Duval and Carl Robeck, Executive and Deputy Directors, respectively, of Energy Action Network (EAN); Doug Smith, Chief Power Supply Executive of Green Mountain Power; and Geetha Ganesan, Consultant from Entegre Energy.

Knowlton also thanked the following organization for their contribution of door prizes: WEC member and fellow cooperative Cabot Creamery for its donation of cheese for the appetizers and a door prize. Caledonia Spirits, Twin State Electric, Hunger Mountain Coop, Lowell Macleod, Efficiency Vermont also donated door prizes, and Farnham Farm Sugaring supplied the maple sugar table gifts.

Knowlton stated that it is a pleasure to acknowledge and thank the Committee on Candidates and the Ballot Committee. These committee members are volunteer members of the coop that work diligently to uphold the integrity of the election. He also recognized WEC staff for making the annual meeting successful.

Knowlton then reviewed the process of the meeting with the members.

President Knowlton called for a motion to waive the reading of the minutes and there was no objection to waiving the reading of the minutes. He provided time in the agenda for members to review the 2023 Annual Membership Meeting minutes.

CERTIFICATION OF QUORUM

President Knowlton presented the Certification of Quorum signed by Ballot Committee Co-chair Cort Richardson. President Knowlton stated 767 ballots were received by mail from the CPA firm, 26 ballots were invalid (spoiled) and 30 voted in person at the annual meeting for a total of 771 members voting in the election which he certified constituted a quorum for the purpose of transacting business at the 85th Annual Membership Meeting in accordance with the Cooperative's Bylaws.

NOTICE OF MEETING

President Knowlton called on Secretary Betsy Allen who certified that Volume 85th, No. 3 of the Cooperative's newsletter, *Co-op Currents*, constituted the official notice of the 85th Annual Meeting of the Members and that this notice was mailed to all members of record on the 8th day of April 2024, in accordance with the requirements of the Bylaws.

APPROVAL OF MINUTES—2023 ANNUAL MEMBERSHIP MEETING

President Knowlton called for a motion to accept and approve the May 4, 2023, 84th Annual Membership Meeting minutes.

A motion was made by Monique Hayden of Williamstown to accept the minutes of the 2023 Annual Membership Meeting. The motion was duly seconded by Peter Keene of Topsham and passed unanimously.

President Knowlton recognized Roger Fox, who stepped down from his position as Vice President of the Board in November 2023. Knowlton thanked Fox for over thirty years of service to WEC. Knowlton noted the many contributions Fox gave to WEC through his tenure as director, including his attention to proper process and done with transparency and integrity. Knowlton also recognized other previous members of the Board in attendance.

EMPLOYEE RECOGNITION

General Manager Porter introduced himself to the attendees and thanked the members for coming to this year's event. Porter expressed to the members the dedication of the employees and praised their longevity of their employment at WEC. He recognized the two employees who reached this year's five-year employment milestones:

- Patrick Smith, 5 years of service
- Beth Ouellette, 25 years of service

General Manager Porter also commended Amos Turner for his exemplary service to the Cooperative and his dedication to its members by awarding him the Manager's Award for 2024.

PRESIDENT'S REPORT

President Knowlton acknowledged WEC for being recognized by the state's Department of Public Service (DPS) since 2014 as a provider of 100% renewable electricity. He noted that other large utilities in the state are also moving in this direction. Also, President Knowlton also pointed out that WEC has refrained from using toxic herbicides to control vegetation growth within its private and public right of ways for some years now, consistent with the environmental component of its mission

President Knowlton acknowledged that WEC members, like everyone else, depend on electric service, and count on it to be reliable and at a price that is fair and reasonable. He stated that as a cooperative we also strive for the power to be delivered and priced equitably so that some members are not paying less at the expense of other members. President Knowlton indicated his opinion that not all people share the same principles, and that members need to be educating themselves from the diversity of information available. He assured members that WEC is attempting to address the emerging challenges and prospects ahead of us with pragmatic and realistic approaches on behalf of all of us who own the Cooperative.

TREASURER'S REPORT

Treasurer Don Douglas reviewed the net margin difference between 2022, \$458,796 and 2023, \$1,067,669. He noted the impact of storms expense of over a million dollars in 2023. Douglas stated that even with the million-dollar storm impact, WEC was able to meet its loan covenants, and so maintain its good financial condition. Treasurer Douglas reviewed WEC's largest power suppliers. Coventry, which provides 2/3 of WEC's power portfolio. New York Power Authority (NYPA) provides close to 12% and costs 3.7 cents per kilowatt hour. The third largest is Hydro Quebec at 8.3%, at 6.6 cents per kilowatt hour.

Treasurer Douglas explained that what separates member owner utility coops from investor owned utilities is capital credits. He noted that since 1998, WEC has retired \$9,000,000 to its members. Each year the Board confers with staff to establish an equity distribution that will benefit all. Douglas shared that in 2003 WEC created the Community Fund as a way for members to give back to the community by donating their capital credits to the Community Fund.

Treasurer Douglas commended WEC's Finance Department for their incredible work resulting in another successful clean audit year.

MANAGER'S REPORT

General Manager Louis Porter stated that his report is brief because he will be giving a presentation after the business meeting and door prizes. The presentation will outline the current outage restoration process and WEC's plans to deal with large outages caused by future storms. He invited members to stay and present any questions or concerns they may have.

General Manager Porter reflected on how WEC came into being 85 years ago during turbulent times and how the electricity business evolved and settled into a routine for a time, but that now times are rapidly changing and evolving into turbulent times again. Porter asked the members to recognize the changes, and that WEC is working to serve members through the changes that will have benefits but will also incur larger costs because of the investment required.

ELECTION RESULTS

President Knowlton reported the election results of the five candidates. The three candidates elected to three-year terms were: Steve Knowlton, 564 votes, Pat Barnes, 471 votes and Olivia Campbell Anderson, 398 votes. President Knowlton announced that Richard Rubin received 397 votes and Ian Buchanan, 346 votes.

President Knowlton congratulated each candidate for running and thanked them for the willingness to serve their community.

Q & A SESSION

President Knowlton opened the meeting to questions and/or comments from members.

Member – Does WEC have any plan to do wellness checks?

GM Porter explained that WEC has notes on member files noting medical needs, but these notes are not always kept current, so it is important that members keep their accounts current and check

on their neighbors during storm events. If WEC is contacted, then WEC will contact local authorities. Porter explained that the hierarchy of power restoration and that individual power restoration cannot always occur as quickly as the member would like.

Member - How does the Coop plan for the long range with the extreme weather events likely to occur in the future?

GM Porter answered by outlining reliability projects such as Right-of-way clearing, establishing reconductor lines, moving lines to the road and building out a new meter system to improve outage response. All these projects will take time. Unfortunately, in the rugged rural terrain we do still have to prepare ourselves for outages that will occur.

Member - How much will these projects cost?

GM Porter stated that WEC is seeking grants and funding for these improvement plans but there will ultimately be rate increases for the improvements. The costs are not determined at this time, but plans are in place.

Member - Does member solar power feeding back into the grid impact how WEC uses renewable energy?

GM Porter stated that yes in the sense that it offsets the usage by some of the members but no in the sense that WEC is 100% renewable independent of net metering. Porter explained that WEC's collective decision to become a leader in 100% renewable power was a good environmental and cost decision but adding on member net metering to the system you are displacing renewable power with other renewable power.

Member - Appreciates what WEC is doing and the recognition of the environment. Would WEC focus on members and what members could do to be resilient, like providing education to members or providing battery storage during outages?

GM Porter summarized that WEC does not currently have a home based battery storage system but can see that in the future. We can develop a program by researching how other Co-ops have created such a system.

Member - In Co-op Currents articles appear using pole attachments for broadband. Where does WEC stand now on broadband?

President Knowlton – outlined that in 2021 there was an effort by the board to have WEC provided broadband to members but realized that the cost would be too much for the members to pay for without federal, which were not available to electric utilities in Vermont. The result was to have the Communication Union Districts (CUD's) use their federal funding to provide fiber based internet and attach their communication lines to the power poles. WEC provides the make ready work to the poles so that the CUD's can attach.

Member – How can the older population afford the rate increases?

President Knowlton – concurred with the question, how do we make electricity affordable? He noted that WEC runs as a cost-of-service business and not at a profit. President Knowlton's observation is that members put a premium on reliable service and unfortunately that comes with a cost. General Manager Porter covered the legislative and industry concerns of cost. There is a

concerted effort to subsidize costs to the lower income through the higher income payers. This is a policy challenge but is being looked at. General Manager Porter stated that he thinks this should be a statewide program not a utility by utility program.

ADJOURNMENT

President Knowlton announced the door prizes were next and adjourned the business part of the 85th Annual Member Meeting and a recording would be available on the WEC website.

With no further business to conduct,

President Knowlton adjourned the 85th Annual Membership Meeting.

The meeting was adjourned at 6:42 p.m.

Date of Membership Approval: May 1, 2025

Attest: Betsy Allen
Betsy Allen, Secretary

