

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

October 29, 2025

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:04p.m. by President Stephen Knowlton. The following Board members were in attendance:

Susan Alexander	Olivia Campbell Andersen	Stephen Knowlton
Betsy Allen	Don Douglas	Bill Powell
Pat Barnes	Jean Hamilton	Mary Just Skinner

Also, present were; General Manager (GM) Louis Porter, Legal Counsel Ron Shems and Law Interns Ian & Anthony, Director of Finance & Administration (F&A) Teia Greenslit, Director of Engineering & Operations (E&O) Dave Kresock, Director of Special Projects & Innovations JJ Vandette, Director of Power Supply & Regulatory Affairs Brian Callnan, Administrative Assistant Dawn Johnson, Energy Innovator Fellow Intern Kevin Crawford, and members Steve Farnham and Ian Buchanan. Director's Barnes and Hamilton, staff member Vandette, intern Crawford and member Buchanan attended virtually. Director Hamilton joined the meeting at 4:36 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the September regular Board meeting held September 24, 2025.

President Knowlton declared the minutes of the regular September 2025 meeting of the Board of Directors, held September 24, 2025, approved.

NRECA BOARD MEMBER

President Knowlton noted that WEC's representation for Vermont on the NRECA's Board of Directors is ending. Director Douglas' term is complete at the end of March 2026. Jeffrey Wilson, VEC Board Director, will be replacing him. WEC and VEC rotate eight-year terms. Many thanks to Director Douglas for serving.

2026 BOARD CALENDAR

President Knowlton led the discussion on the annual board calendar, with Administrative Assistant Johnson confirming the need for utilizing TEAMS approval so notices can be sent. Directors agreed to continue using Microsoft Teams for meetings. Johnson noted the process for sending calendar appointments, with the board approving the calendar for the upcoming year.

Director Skinner made a motion to accept the 2026 Board Calendar, seconded by Director Douglas. Unanimously approved.

CAPITAL BUDGET

President Knowlton, Director of E&O Kresock, Director of Finance Greenslit, and other board members reviewed the capital equipment budget. The FAPP & P&O committees had previously reviewed the Capital Budget and had discussed specific items such as the VELCO radio dispatch consoles and the thumper device that is used to locate faults in underground lines. They had, with agreement from the staff, recommended reducing the budget allocation for VELCO radio dispatch consoles by half to consider a shift to a computer screen-based system and to give the flexibility to purchase such equipment over time rather than all at once. Otherwise, they approved recommendation of the Capital Budget.

Director of E&O Kresock addressed questions about fleet replacement and underground line maintenance. He explained that WEC is moving toward a regular seven-year replacement scheme for utility vehicles, which will improve fleet reliability after dealing with several years of maintenance issues.

Kresock explained that a thumper device is used for locating faults in underground lines; the board discussed increasing underground work due to member and regulatory pressure and agreed that owning the device could reduce outage durations, though renting remains an option.

Director Douglas made a motion, seconded by Director Allen, to approve the Capital Budget in the amount of \$861,900 and including the reduction in the budget for the VELCO radio dispatch consoles by half and the retention of the thumper device used to locate faults in underground lines. Unanimously approved.

BATTERY STORAGE DISCUSSION

Director of Power Supply & Regulatory Affairs Brian Callnan and others discussed the proposed utility-scale battery storage project. Topics included technical specifications, site selection, interconnection challenges, financial models, and lessons learned from other co-ops. The intent is to request board approval in an upcoming meeting to select a partner and term sheet for third-party ownership and operation.

Callan listed the battery system's capacity (5 MW, 20 MWh), potential locations, and the issues challenges for siting the battery at the East Montpelier substation. There are concerns with this site due to it being on a hill with limited space and nearby underground septic system. Director of E&O Kresock provided input on transmission line options and the impact of solar backfeed on substations, and the pros and cons of connecting at distribution versus transmission levels. General Manager Porter noted that while batteries can absorb some solar backfeed, they do not reliably replace the need for transformer upgrades in all cases due to operational uncertainties and risk of equipment damage.

The staff recommended proceeding with third-party ownership and joint operation of the battery to avoid capital expense and to leverage expertise WEC currently does not possess. Several contract models were presented with estimates of fixed monthly payments (tolling agreements), shared savings, and combinations thereof, for different vendors and contract structures.

Callan outlined the process for firming up a location and developing a term sheet, estimating a timeline of one to a few months, after which the board will likely be asked to approve a binding contract. Questions about regulatory changes and contract options were raised and addressed.

FINACIAL UPDATE

Director of F&A Greenslit reported ongoing positive financial variances and a \$580,000 reduction in property tax expenses compared to 2024, noting that the final property tax bill matched estimates and that overall financials are strong. A comprehensive review of Q3 financials is scheduled for the next board meeting.

FEMA ASSISTANCE AND STORM RECOVER PLANNING

General Manager Porter and board members discussed the denial of 2025 FEMA assistance for recent flooding, implications for future disaster recovery, strategies for storm response, and financial resilience measures, including the possibility of setting aside funds for future storms and adjusting rate structures. Porter noted that WEC was not affected by the denial of the 2025 FEMA flood assistance because our circumstances did not meet the assistance criteria.

SPECIAL PROJECTS AND INNOVATION UPDATES

Director of Special Projects & Innovations Vandette and General Manager Porter discussed updates on special projects, including the vehicle-to-grid demonstration with Efficiency Vermont and BED, software vendor selection for DERMS, and the VPPSA battery project for municipal resiliency, with plans for future presentations and collaboration.

Vandette and Porter reported changes in the Tier 3 program. Vandette reported that Efficiency Vermont's savings for ductless heat pumps have been cut in half due to a recent study, which has affected Tier 3 program incentives. WEC, VEC, and VPPSA have opted out of the incentive for ductless heat pumps but continue with ducted heat pumps. Nonetheless, WEC continues to meet its Tier 3 program requirement.

WEC staff plan to regularly review the rationale and impact of these decisions.

EXECUTIVE SESSION

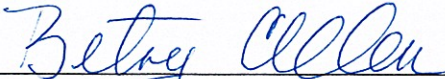
The Board entered executive session at 5:45 p.m. to discuss the AMI Project and the Editor's Contract for 2026. The Board reconvened in open session at 6:01 p.m. and the following actions were reported:

On a motion by Director Hamilton seconded by Director Campbell Andersen, the Board approved the Co-op Currents Editing Contract with Clear Spot Communications for 2026, including a \$1,587.47 increase. The motion passed 8-0 with 1 abstention.

There being no further essential business to discuss, the meeting adjourned at 6:02 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 December 3, 2025, at which a quorum of the Board was present and voting.



Betsy Allen, Secretary

