

# WASHINGTON ELECTRIC COOPERATIVE, INC.

## 76<sup>th</sup> ANNUAL MEMBERSHIP MEETING

May 6, 2015

The 76<sup>th</sup> Annual Membership Meeting was held at the Canadian Club on Wednesday, May 6, 2015, with 226 members, guests, and employees in attendance. The business meeting was called to order at 6:32 p.m. by President Barry Bernstein. He announced that we had a record number of attendees who ranged from an infant to the age of 95±. It was pointed out that we had other children in attendance as well.

President Bernstein announced that the ballot box was closed and that he hoped everyone who did not vote by mail had a chance to do so at the meeting. He thanked Cabot Creamery for their generous donation of cheese for appetizers which members seemed to enjoy.

### INTRODUCTIONS

President Bernstein introduced General Manager Patty Richards as well as the members of the Board of Directors in attendance:

- Vice President Roger Fox from Walden;
- Treasurer Donald Douglas, Orange;
- Secretary Annie Reed, Marshfield;
- Stephen Knowlton, East Montpelier;
- Roy Folsom, Cabot;
- Dave Magida, Middlesex; and
- Richard Rubin, Plainfield.

He explained Director Mary Just Skinner of Middlesex was out of state and, therefore, unable to attend the annual meeting.

President Bernstein identified Directors Fox, Knowlton, Rubin, and Skinner as candidates for this year's Board of Directors election before introducing other special guests:

- Bridget Ashe—Efficiency Vermont;
- Joshua Diamond—Diamond & Robinson, WEC's legal counsel;
- Tom Dunn—VELCO;
- Will Lindner, *Coop Current's* editor;
- Tom Bailey and Dave Hallquist—Vermont Electric Cooperative; and
- John Murphy—Stantec.

### CERTIFICATION OF QUORUM

Before calling on Co-chair Joe Kelly to present the certification of quorum, President Bernstein remarked Joseph Kelly of Williamstown and Joe Safranek of Newbury have served as co-chairs of the Ballot Committee for 16 years.

Mr. Kelly stated 781 ballots were received by mail from the CPA firm, 28 ballots were invalid (spoiled) and 13 ballots had been cast in person at the meeting for a total of 794 members voting in the election which he certified constituted a quorum for the purpose of transacting business at the 76<sup>th</sup> Annual Membership Meeting in accordance with the Cooperative's bylaws. President Bernstein asked Mr. Kelly to explain the major reason a ballot is identified as "spoiled". Mr. Kelly replied a majority of the spoiled ballots lacked the required signature on the official ballot envelope.

### NOTICE OF MEETING

Secretary Annie Reed certified that Volume 76, No. 3 of the Cooperative's newsletter, *Co-op Currents*, constituted the official notice of the 76<sup>th</sup> Annual Meeting of the Members and that this notice was mailed to all members of record on the 17<sup>th</sup> day of April 2015, in accordance with the requirements of the Bylaws.

### APPROVAL OF MINUTES—2014 ANNUAL MEMBERSHIP MEETINGS

President Bernstein called for a motion to waive the reading of the minutes of the 2014 Annual Membership Meeting held on May 10, 2014, and to approve the minutes as presented.

*A motion was made by WEC Member W. B. Fisk of Vershire to waive the reading of the minutes of the 2014 Annual Membership Meetings and to approve them as presented. The motion, which was duly seconded, passed unanimously.*

### EMPLOYEE RECOGNITION

Every year the Cooperative honors employees who have been with WEC by recognizing employment anniversaries in five-year increments. This year General Manager Richards recognized and presented certificates of appreciation to three of the seven employees. The three employees that were able to attend the annual meeting and that achieved years of service milestones were:

- Mechanic Brad Nutbrown, 15 years of service;
- Senior Account Teia Greenslit, 20 years of service; and
- ROW Coordinator Mike Myers, 20 years of service.

General Manager Richards asked all employees in attendance to stand in recognition. She noted these employees are the people that make it all happen at the Cooperative and recognized all employees in attendance with a round of applause from all in attendance.

### PRESIDENT'S REPORT

President Bernstein stated his appreciation for the support of the Board of Directors and General Manager Patty Richards. He reminded meeting attendees his President's report is available on line for anyone that wanted to read it. President Bernstein said he wanted everyone to know about the December 2014 storm which was a major event for the Cooperative. He said it was an amazing experience and was moved to see everyone—staff, linemen, family of staff, and members—come together. He extended special thanks to all who worked on this storm stating everyone did a terrific job and it is only when we lose power that we realize how much electricity means to us.

President Bernstein reported that our Coventry Landfill Plant is going on ten years old and that 2014 was a record year for generation at the plant. He thanked Director of Engineering and Operations Dan Weston and everyone involved in the Coventry generation facility.

### TREASURER'S REPORT

Treasurer Donald Douglas shared a short entertaining story before reporting that WEC had made all of its financial obligations in 2014. He explained net margins, how these margins are allocated to members, and the process used to distribute some of these allocations to both current and former members in the form of capital credit refunds. Treasurer Douglas announced that WEC has been retiring capital credit allocations for 17 years and has fully retired all allocations through 1992 having refunded \$4.5 million to date.

Treasurer Douglas explained the WEC Community Fund is funded through the generosity of those current and former members of the Cooperative who donate their capital credit refunds. He reported that the Community Fund awarded about \$20,000 in small grants to non-profits in 2014 and encouraged everyone to turn their capital credits over to the fund.

Mr. Douglas concluded by wishing President Bernstein a “Happy Mother’s Day” as he “mothers” the board!

### MANAGER'S REPORT

General Manager Richards thanked everyone for attending the 76<sup>th</sup> Annual Meeting on such a gorgeous day before she provided a brief overview of the following topics:

- H40--Vermont Renewable Portfolio Standard which addresses the development of more renewable generation across the state and moves Vermont toward reaching the goals of the Vermont Comprehensive energy plan (90% renewable by 2050). Ms. Richards pointed out that WEC already qualifies for some of the requirements other utilities will have to do because we are already one hundred percent renewable. As part of the legislation WEC will be developing new programs that address not only electric but also non-electric fuels and advised members there will be more to come in Currents and bill stuffers as we develop plans to comply with the new law.
- Service Quality & Reliability Performance (SQRP)—Ms. Richards pointed out that a full SQRP report can be found on page 3 of the annual meeting issue of WEC’s newsletter, *Co-op Currents*. She stated WEC is required to track and report on several areas of service and performance including employee safety, number of outages, duration of outages, member complaints, calls not answered within 20 seconds, accuracy and timeliness of bills, meter readings, and the timeliness of work requests. Ms. Richards announced we met all the SQRP tracking requirements and goals in 2014 and encouraged members to see the full report in Currents for more details.
- 2014 December Mega Storm—Ms. Richards noted that the December storm (Damon) was a major event for the state of Vermont and very costly coming in at a \$23 million storm statewide with Green Mountain Power experiencing costs of \$18,000,000; Vermont Electric Cooperative, \$3,900,000; and WEC, \$641,000. She highlighted a few facts and figures related to the storm for WEC: 391 separate outages were experienced by our members, there were 5,600 members out at one time, there were a total of 29,886 meter outages, the average length of an outage was 28 hours, and 1 member was out for 8 days because the member did not follow back up with the Co-op after power was restored around him; 70 people were involved

in the field restoration process with 21 mutual aid personnel and 30 WEC field personnel utilized; many of our outages were tree related; and calls received during the outage included 9,734 answered by WEC's member service representatives and 7,910 3,811 answered by the Cooperative Response Center.

Ms. Richards explained that because the federal government declared the December storm a disaster, WEC was able to apply for Federal Emergency Management Agency (FEMA) funds. It is anticipated WEC will receive a substantial amount from FEMA for two of the counties we serve. She also announced that the Vermont Public Service Board approved the deferral of some of the unreimbursed storm expenses which allows WEC to spread these expenses over time and will avoid a large future rate increase relative to the storm.

General Manager Richards acknowledged that it was not only hard on WEC members being out of power, but it was also very difficult on WEC employees and their families who gave up so much of their own lives. For nine days, employees gave up time with their families, missed holiday events, missed children's concerts, and more. Employees dedicated their lives to restoring power and put WEC members' needs before their own. She thanked all employees for pulling together to get the Cooperative and its members power restored through this storm. It was really all hands on deck, and everyone is so proud of WEC employees for what they did and what they do day in and day out.

## ELECTION RESULTS

President Bernstein commented that four incumbents ran for four open positions and that the top three vote getters would serve in the three-year terms and the fourth would fill the remaining two year term. He reported the following election results:

- Roger Fox, 711 votes;
- Stephen Knowlton, 711 votes;
- Richard Rubin, 699 votes; and
- Mary Just Skinner, 686 votes.

He noted the close election results and noted that there were 25 write-ins and 228 blank votes. President Bernstein announced that Roger Fox, Stephen Knowlton, and Richard Rubin had been re-elected to the Board of Directors for the three-year terms and Mary Just Skinner was re-elected to the two-year term.

## QUESTION/ANSWER SESSION

When the meeting was opened to questions and/or comments from attendees, member Dan Wing asked whether the smart meters were able to notify the Cooperative of an outage during the December storm. General Manager Richards responded the smart meter technology has the potential to notify the Coop of outages but that if we did use the system for all members and for every minute of the day that way it would overwhelm our outage management and computing systems. Instead we use the system in an iterative manner. Once we get a call, we check that meter and others in the area and narrow in on a location basis where the outage is. But the important message is that it starts with the member reaching us to report they are out of power. Hence, it is an iterative process and we need members to call in so we can reach out and check meters and isolate exactly where the outage is.

Cabot Member Jeffrey Haslett asked whether the net margins could be put in a reserve for use when/if the Cooperative experiences other major storms rather than allocating the net margins to members. He also stated the importance of the Coop’s website providing feedback on storms and the estimated time power would be restored during outages. General Manager Richards explained that WEC is a fully regulated utility and to set up a reserve account would require state approval. She noted based on past experience, they would likely not support WEC setting up a general reserve account. However, they have in the past allowed deferral of costs into the future when catastrophic events occur. As for maintaining updates on the WEC website, she noted that we have a current outage section on our website that includes a map and blog that is used to keep members informed during storms. She added that into the December storm we were able to provide the location of crews on the website. Michael Duane, a Montpelier member, reported he experienced an outage for a short period of time during the December storm but was able to use the website to track what was happening with the crews and report progress to his son who experienced a longer outage. He felt this was a huge change and major improvement over past years.

WEC member Alexandra Thayer brought up the subject of a required energy audit for members desiring to participate in WEC’s net meter program and she felt it was a barrier. A brief back and forth discussion ensued with General Manager Richards explaining WEC only requires the audit for high use members (750+ kWhs per month) and this is waived if the member has already gone through an audit prior to applying for a net metering project. She stressed WEC wants people to take a holistic approach and look at all options including efficiency before investing in any generation. She also explained that installing efficiency upgrades is completely left to the member and is therefore entirely optional.

Member Rachel Carter asked about WEC’s power sources. General Manager Richards responded by explaining our current sources of power and noted the list is also available on the WEC website. President Bernstein noted we get power from Coventry and also some from hydro and wind.

Member Paul Sipple of Fayston returned to the energy audit discussion. He felt WEC didn’t go far enough and that there should be an efficiency use standard which must be met in order to qualify for a net metering project. The discussion went back and forth as to reasoning for the audit—basically to get the member to think about all their energy options including savings of using energy more efficiently. Coop Currents Editor Will Lindner asked what percent of those participating in net metering were required to have the audit. Director of Products and Services Bill Powell replied 2 of 35 needed an audit. Mr. Sipple noted installing photovoltaic should be the last thing members do.

## ADJOURNMENT

At 7:28 p.m., prior to Meteorologist Roger Hill presenting “What’s Up with the Weather” and door prizes donated by Cabot Creamery, Efficiency Vermont, Hunger Mountain Co-op, Lowell McLeod, Sanel Auto Parts, and WEC were awarded, a motion was made to adjourn the business meeting.

Date of Membership Approval: \_\_\_\_\_, 2016      Attest: \_\_\_\_\_  
M. Annie Reed, Secretary