

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

December 1, 2021

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:03 p.m. by President Stephen Knowlton. The following Board members were in attendance:

Barry Bernstein
Donald Douglas
Steven Farnham

Roger Fox
Jean Hamilton
Stephen Knowlton

Anne Reed
Richard Rubin
Mary Just Skinner

Also present were General Manager Louis Porter; Attorney Ron Shems of the law firm Tarrant, Gillies, & Shems, the Cooperative's legal counsel; Director of Engineering & Operations Dave Kresock; Director of Finance & Administration Larry Monserrate; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; and Administrative Assistant Rosie Casciero. President Knowlton, General Manager Porter, and Ms. Casciero attended in person; all other directors attended virtually. Ms. Golden left at 6:16 p.m. and Director Hamilton left at 6:22 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the regular Board meeting held October 27, 2021. Director Bernstein requested that the wording of the motion on the operating budget be changed to read: "On a motion by Director Bernstein, seconded by Director Douglas, the Board voted without opposition to support development of a 2022 operating budget based on the 2021 budget to meet or exceed lenders' requirements. President Knowlton abstained."

The Board also discussed and decided to continue noting virtual attendance in the minutes.

President Knowlton declared the minutes of the regular Board meeting, held October 27, 2021, approved with the noted correction.

OPERATING BUDGET

President Knowlton and General Manager Porter reported that, despite its pro forma construction, the operating budget must be approved so that the Cooperative Finance Corporation (CFC) can create the financial forecast and five-year plan to be presented to the Rural Utilities Service (RUS) for the purpose of considering the proposed amendment to WEC's Construction Work Plan.

On a motion by Director Skinner, seconded by Director Rubin, the Board voted unanimously to approve the proposed 2022 operating budget.

There was additional discussion regarding budget provisions for additional administrative staffing.

CAPITAL BUDGET

General Manager Porter presented the proposed 2022 capital budget for the Board's consideration. He explained that, in response to a State inspection of the WEC warehouse, \$40,000 was allotted for a protective structure to house used transformers, as they are considered hazardous waste once no longer in use; he confirmed that the structure would be considered multipurpose. Due to ongoing shortages in materials and vehicles, WEC hopes to purchase in 2021 a bucket truck originally slated for purchase in 2022 and to reallocate \$300,000 to 2022 for a digger derrick. In response to Director Rubin's concerns about the 2022 capital budget being considerably

higher than in previous years, Mr. Porter noted that the unexpected line items and increased equipment purchases are the causes for this increase.

Mr. Porter also noted two items not reflected in the budget: the second phase of pipe upgrades at the Coventry plant and the information system upgrades needed at the Wrightsville hydro plant.

On a motion by Director Douglas, seconded by Director Bernstein, the Board voted unanimously to approve the proposed 2022 capital budget.

APPROVAL OF RUS FORMS 674 & 675

At staff's request, the Board acted to update RDUP Form 674 and RUS Form 675. These forms authorize General Manager Porter and President Knowlton to access financial reports and sign documents necessary for the operation of the Co-op.

On a motion by Director Skinner, seconded by Director Reed, the Board voted unanimously to adopt the resolutions to update RDOP Form 674 and RUS Form 675 to include General Manager Louis Porter.

NRECA VERMONT DIRECTOR ELECTION VOTING DELEGATE

The Board was asked to retroactively approve General Manager Porter as WEC's voting delegate for electing Vermont's director to the NRECA Board.

On a motion by Director Bernstein, seconded by Director Farnham, the Board voted unanimously to retroactively approve General Manager Porter as WEC's voting delegate for electing Vermont's NRECA director.

MANAGER'S REPORT

Member Services

Member Services Supervisor Susan Golden reported that the newly hired Member Service Representative Helen Ducharme has settled into her position and integrated with the team nicely.

General Manager's Comments

Director Rubin requested that General Manager Porter describe his attitude and feelings about his first month at WEC. Mr. Porter stated that the overwhelmingly positive and welcoming response from the Co-op has made his transition into the role far less daunting. While he is not ignorant of his steep learning curve, Mr. Porter is appreciative of the support he has received and what he can learn from each employee. He noted that in all his interactions with WEC employees, he sees that they each appreciate and enjoy working for a co-op—and on behalf of its members—and bring recognition of that to their work.

Additionally, Director Rubin stated that he appreciates the time Mr. Porter is spending at the warehouse with the lineworkers to establish a working, comfortable rapport with them and to understand their work. Mr. Porter added that he plans to continue this and to go into the field with the crews to most fully understand their work.

President Knowlton invited the Board to make any comments or provide feedback to Mr. Porter on what it would like to see in the Manager's Report. It was noted that staff appreciates the communication amongst staff and departments throughout the Co-op.

WEC's COVID-19 Pandemic Response

Director Rubin inquired after weekly staff meetings, which have thus far mainly included the Management team. Easily and safely holding staff meetings during the COVID pandemic would be difficult; meetings conducted via Zoom may be the answer, despite hampering the likelihood and efficacy of teambuilding exercises.

Mr. Porter then reiterated WEC's COVID protocols and stated that the Management team is actively considering the necessary next phase of WEC's COVID response, in the event its implementation should be

necessary. As WEC's employee base is small, Mr. Porter's main concern is the safety of the lineworkers, as even one positive case could severely hamper the crew's ability to respond to outages.

Given the high number of cases and the number of people in one room an in-person Board meeting would require, Mr. Porter and President Knowlton agreed that any inconvenience from holding Board meetings virtually was worth mitigating the risk of transmission.

Outage & Right-of-Way Reports

Director Farnham inquired after the distinction between three categories of trees and major storms, and Mr. Kresock responded that they are tracked separately to ascertain the damage and outages caused by major storms, ice, etc. Mr. Kresock further explained that ROW and other clearing work is expensive, crews are difficult to secure, new growth is thicker than expected, and existing crews are being diverted due to new connects and make-ready work for broadband and VELCO fiber installation.

September Form 7

In response to a query about the disparity between the number of previous and current new service connections, Mr. Kresock explained that many new connections are requiring long extensions through unforgiving territory and that obtaining materials is difficult due to the pandemic. He noted that staff would work to clarify these numbers and their contexts, and that there may have been a typographical error on the form.

ANNUAL MEETING

Administrative Assistant Casciero reminded the Board of Annual Meeting deadlines and responsibilities relating to the recruitment of Director candidates. Directors Bernstein, Farnham, and Reed are the incumbents whose terms conclude in 2022. President Knowlton asked them to announce their re-election candidacy intentions as soon as possible. Director Fox was asked to circulate a redlined version of his draft bylaw amendment proposal.

RENEWABLE ENERGY POLICY

The Board noted the importance of having time to discuss renewable energy policies and WEC's position as a 100% renewable energy provider, particularly in regards to proactive and forward-looking policy. It was further noted that as a utility, WEC should act pragmatically and consciously.

EXECUTIVE SESSION

The Board entered Executive Session at 5:30 p.m. to discuss the PUC's Kingsbury net metering case, consulting services, and broadband and fiber optic communication equipment deployment.

The meeting reconvened in open session at 6:48 p.m.

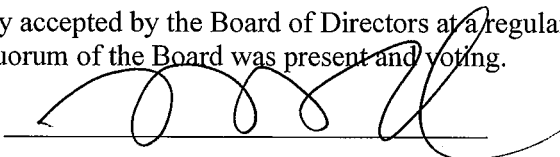
MEMBER LETTER TO THE BOARD

The Board discussed a letter from a member regarding bill increases, which prompted acknowledgement of the importance of improved communications with and education of members.

There being no further essential business to discuss, the meeting was adjourned at 6:50 p.m.

M. Anne Reed, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on January 5, 2022, at which meeting a quorum of the Board was present and voting.



M. Anne Reed, Secretary