

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

March 30, 2022

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	Roger Fox	Anne Reed
Donald Douglas	Jean Hamilton	Richard Rubin
Steven Farnham	Stephen Knowlton	Mary Just Skinner

Director Hamilton arrived at 4:18 p.m. 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 (E&O) Dave Kresock; Director of Finance & Administration (F&A) Larry Monserrate; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; Administrative Assistant Rosie Casciero; and WEC members Susan Alexander, Betsy Allen, Olivia Campbell Andersen, Pat Barnes, Rachel Onuf, and JJ Vandette. Director Hamilton, Mr. Powell, Ms. Alexander, Ms. Allen, Ms. Anderson, Ms. Onuf and Mr. Vandette attended remotely. Ms. Alexander left at 6:04 pm. Ms. Campbell Andersen arrived at roughly 4:15 pm and left at roughly 5:30 pm. Ms. Onuf left at 5:59 pm. Mr. Vandette left at 5:09 pm.

PRESIDENT'S COMMENTS

President Knowlton welcomed the six WEC members who are new candidates for election to the Board of Directors. The candidates introduced themselves before General Manager Porter introduced WEC staff in attendance.

CONSENT AGENDA

The consent agenda included the minutes of the regular February Board meeting held February 23, 2022 and the minutes of the special Board meeting held March 16, 2022.

There being no comments or corrections, President Knowlton declared the minutes of the Regular Board Meeting held February 23, 2022, and the Special Board Meeting held March 16, 2022, approved.

NORTHEAST ASSOCIATION OF ELECTRIC COOPERATIVES (NEAEC) VOTING DELEGATES DESIGNATION & CONFERENCE

It was necessary to designate primary and alternate voting delegates for the May 18th NEAEC Annual Business Meeting. Director Fox has been serving as voting delegate. He noted that while he is willing to serve as the voting delegate, this could be reconsidered at a subsequent meeting of the Board.

On a motion by Director Bernstein, seconded by Director Farnham, the Board voted to designate General Manager Porter as the alternate voting delegate for the NEAEC Annual Meeting.

President Knowlton described WEC's involvement with NEAEC, including that Board and senior staff members typically attend the Spring conference. Due to COVID-19, the conference, postponed in 2020 and 2021, has been combined for 2022 with the staff conference traditionally scheduled for October. Additionally, he reviewed the draft agenda and accommodations information for the conference, which will be held in Essex, VT, June 14 through 16.

CROSS VERMONT TRAIL ASSOCIATION EASEMENT

The Cross Vermont Trail is a multi-use trail spanning the width of the state of Vermont, intended to provide a safe, accessible, and reliable non-motorized travel route for all. The trail is planned to cross a portion of WEC's Fassett Road property. Staff and Attorney Shems requested that, as Former General Manager Patty Richards had been previously authorized, the Board now authorize General Manager Porter to complete negotiations, finalize, and sign the easement for the Cross Vermont Trail.

On a motion by Director Douglas, seconded by Director Farnham, the Board voted to authorize General Manager Porter to complete negotiations, finalize, and sign the easement to the Cross Vermont Trail Association.

ELECTION OF INTERIM SECRETARY OF THE COOPERATIVE

Director Reed, current Cooperative Secretary, will complete her last term as of May 5, 2022 at the WEC 83rd Annual Meeting. The Board is empowered to elect an interim secretary to serve between the Annual Meeting and the annual Board organizational meeting. Director Skinner was nominated and elected as Secretary effective May 5, 2022.

2022 CAPITAL CREDIT RETIREMENT

President Knowlton reviewed the process of allocation and retirement of capital credits to Co-op members. He commented that a policy to further guide the process of retiring capital credits would be useful, especially in setting the number of years over which allocated credits are returned. The WEC Community Fund also relies on donations of capital credits to provide grants to local non-profit organizations.

Director of F&A Monserrate provided an overview of his analysis of the margins and purchased power costs over the last thirteen months. New England has seen historically high power costs year-to-date, which have decreased the Co-op's available cash. In such a volatile market and with pressure on revenue from net metering and inflationary risks, WEC must balance the amount of its margins returned to members with the amount of available funds necessary for the proper running of the Co-op. President Knowlton requested that staff develop and present options for capital credit retirement and their expected consequences for the budget.

ARREARS & DISCONNECTS

With the end of the winter and COVID-19 disconnection bans, WEC is resuming disconnections. As the Co-op begins disconnecting members, the focus will be on those who have been delinquent by \$1,000 or more for over 90 days. Member Services Supervisor Golden informed the Board that WEC would prefer not to disconnect members but must recoup the uncollected revenue. Member Services Representatives have been diligently working with members, encouraging them to apply for state utility assistance programs—Vermont Emergency Rental Assistance Program (VERAP) and Vermont Homeowner Assistance Program (VHAP)—and establishing payment plans through which members repay longstanding debts.

For some, disconnection is the only incentive to pay. WEC's disconnection and reconnection charges as set forth in its tariff are significantly lower than other Vermont electric utilities. Director Rubin noted that this is a delicate situation with the potential for largescale consequences, both from members in arrears and for the Co-op. It is uncertain how much an average member/family would receive in assistance, but VERAP and VHAP do provide assistance for future payments in addition to past due bills.

VERMONT LOW-INCOME TRUST FOR ELECTRICITY (VLITE) PRESENTATION

Director Rubin provided the Board a brief overview of his involvement with the Vermont Low-Income Trust for Electricity (VLITE), on whose Board he serves as Vice President. VLITE provides grants to benefit income-eligible Vermonters for weatherization, transportation, and more. The organization also funds energy education and information initiatives, in addition to appointing three Board members of the Vermont Electric Power Company (VELCO). Director Rubin noted VLITE's non-profit status and the breadth of experience of its Board in both the public and private sectors. Along with funding from the American Rescue Plan Act (ARPA), VLITE has financially supported WEC's ReWire project, which will provide electric service equipment upgrades to income-eligible members to assist in decarbonizing their energy use.

ANNUAL MEETING & DIRECTOR ELECTION UPDATE

Administrative Assistant Casciero presented the procedures and timeline for the Annual Meeting and the election of directors. With many new staff members and an unprecedented seven candidates running this year, transparency around the election was deemed essential. In addition to Ms. Casciero's presentation, there was discussion about improvements to the candidate petitioning and balloting processes, particularly with regard to streamlining those processes.

NATIONAL RURAL ELECTRIC COOPERATIVES ASSOCIATION (NRECA) ANNUAL MEETING REPORT

Directors Bernstein and Douglas briefly reported on the NRECA Annual Meeting, which was held in Tennessee this year. With a group of other climate conscious co-op delegates from around the country, Directors Bernstein and Douglas helped further discussions regarding global warming and sustainable practices and power sources. Director Hamilton offered to provide connections to other co-op groups focused on climate action.

GENERAL MANAGER'S REPORT

Coventry Plant

General Manager Porter described the current state of production, maintenance, and communications related to the Coventry Clean Energy Plant. Since December 2021, the plant has seen decreased production caused by oxygen infiltration, engine difficulties, and other issues. WEC and Casella are continuing to work toward resolving this problem. Additionally, pipes within the plant need upgrading, which will occur during the coming year. Mr. Porter is still exploring the details of how this decreased production affects and/or triggers the Hydro-Quebec contract with Vermont Electric Cooperative (VEC).

Operations Assistant

Mr. Porter reported that WEC is currently soliciting applications for the position of Operations Assistant. The Assistant will collaborate with Director of E&O Kresock to organize make-ready work, and will perform administrative work in the Operations department.

COVID-19

While case counts and deathrates in Vermont have trended positively, Washington County has recently seen an increase in case counts. This has forestalled further opening of the WEC office to the public, but it is hoped that this will be possible in April. Internal protocols have largely been relaxed, but the Co-op remains attentive.

Transformer Supply

System Maintenance Technician Dan Couture recently secured a number of transformers for projects requiring them. Transformer upgrades necessary due to net metering or electric vehicle charging are again possible.

State Funding to Utilities

The Vermont State legislature is on track to approve \$5 million for WEC, VEC, and the Vermont Public Power Supply Association (VPPSA) in the deployment of advanced metering technology. With its share, WEC will be able to move forward with its system improvements ahead of schedule.

Board-Staff Communications

Mr. Porter requested that Board and staff members copy him and/or President Knowlton on any correspondence of substance between Board and staff. His overall aim for communication at WEC is transparency. Director Bernstein thanked General Manager Porter for his approach to communications.

Strategic Planning Management Meeting

At the beginning of March, the WEC Management team and other key staff members met to discuss the major projects on which the Co-op will embark throughout the next several years. The meeting was successful, yielding greater understanding of the responsibilities and projects within each department, as well as concrete ways employees could take action on current issues and projects. Mr. Porter noted that the meeting illuminated the Co-op's pivotal position and the many opportunities it has for growth. As promised after the October Strategic Planning session with the National Rural Utilities Cooperative Finance Corporation (CFC), Mr. Porter will provide a strategic plan to the Board in April.

Miscellany

Mr. Porter noted that hardcopies of the 2021 Audited Financial Statements were available for the Board, and would be made available to those candidates who wished to review them.

There being no further essential business, President Knowlton declared the meeting adjourned at 6:14 pm.

M. Anne Reed, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on April 27, 2022, at which meeting a quorum of the Board was present and voting.



M. Anne Reed, Secretary