

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

October 25, 2023

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

Susan Alexander	Steven Farnham	Stephen Knowlton
Betsy Allen	Roger Fox	Richard Rubin
Don Douglas	Jean Hamilton	Mary Just Skinner

Also present were General Manager Louis Porter; Director of Engineering & Operations Dave Kresock; Director of Finance & Administration Teia Greenslit; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; and Administrative Assistant Rosie Casciero. Directors Douglas and Hamilton, as well as Ms. Golden and Mr. Powell, attended remotely. Director Douglas arrived at 5:02 p.m. and Director Hamilton arrived at 4:07 p.m. Director Douglas and Mr. Powell left at 6:00 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the September 27, 2023 regular Board meeting. President Knowlton reviewed minor edits to the minutes.

Hearing no objections, President Knowlton declared the minutes of the regular September 27, 2023 meeting of the Board of Directors approved.

2023 – 2033 LONG-RANGE PLAN APPROVAL

General Manager Porter explained that WEC requires a new loan from the Rural Utilities Service (RUS) to fund its regular multi-year Construction Work Plan (CWP) detailing the projects to be performed and funds are required to do so. While RUS does not review co-op utilities' Long-Range Plans (LRPs) that may incorporate CWPs, they require that a utility borrower have a Long-Range Plan approved by its board of directors in order to apply for its CWP loan. WEC's previous LRP spanned 2012 – 2021. The Board discussed the major projects included in the Long-Range Plan and Construction Work Plan, specifically those relating to substations. To expedite the approval process for those projects not requiring a federal environmental review, WEC plans to submit two CWP applications—the first phase for regular maintenance and construction requiring little additional environmental review more or less within the normal course of business, and the second mainly for substation-specific projects requiring more formal review. Porter indicated that with Board acceptance of the LRP, WEC staff will complete the draft of the first CWP, enabling the Co-op to refine drafts with RUS and state regulators before the CWP is returned to the Board for formal approval.

On a motion by Director Rubin, seconded by Director Farnham, the Board voted to accept the 2023 – 2033 Long-Range Plan as presented by ControlPoint Technologies, Inc. and supported by the Power & Operations Committee of the Board. The motion passed 8-0.

2024 – 2026 CONSTRUCTION WORK PLAN CONCEPTUAL APPROVAL

As described during the discussion of the 2023 – 2033 Long-Range Plan, the Board was asked to adopt the Construction Work Plan in concept so that staff, RUS, and state regulators may begin further development thereof.

On a motion by Director Rubin, seconded by Director Allen, the Board voted to adopt the 2024 – 2026 Construction Work Plan, Phase A, as presented in concept to the Power & Operations Committee, with the stipulation that its budget may not exceed \$10 million. The motion passed. 8-0.

AUDIT CONTRACT PROPOSAL APPROVAL

President Knowlton reviewed the Finance, Administration, and Power Planning (FAPP) Committee's discussion of the contract renewal proposal for the Cooperative's auditing firm, Kittell, Branagan and Sargent (KBS). He reiterated that it is the Board's responsibility to hire the firm. It is also within the Board's purview to change how the Co-op requests bids for proposals.

Director of Finance & Administration Greenslit reported that KBS expressed that, like other auditing firms, it has increased its rates to remain competitive and retain staff. She and Porter recommended that WEC renew its contract with KBS because of their familiarity and experience with auditing cooperative utilities' finances and operations, RUS standards, and WEC's system in general.

On a motion by Director Farnham, seconded by Director Alexander, the Board voted to authorize staff to enter a contract for audit services from Kittell, Branagan, and Sargent for 2023 – 2026 with compensation rates provided per their proposal. The motion passed 8-0.

BOARD MEETING CALENDAR

The Board reviewed the 2024 Board regular and committee meeting calendar. The Annual Meeting date will be Thursday, May 2, 2024. The Board informally accepted the calendar as presented.

PROPOSED GMP OUTAGE ELIMINATION PROGRAM

Green Mountain Power (GMP) recently pledged to eliminate outages for their customers within the next decade via underground power lines and other resiliency measures. The Public Utility Commission has yet to grant formal approval to GMP. The WEC Board discussed the matter and how such a pledge may affect other utilities.

LEGISLATIVE STATUS UPDATE

Porter reported that the Department of Public Service is engaged in a study of the Renewable Energy Standard to review if updates to that statute are warranted. Porter is participating in a legislative working group also created for a similar purpose. The Board planned to continue discussion of strategies for WEC's involvement in, and positions for, the upcoming legislative session on this issue.

GENERAL MANAGER'S REPORT

Hiring Updates

Porter stated that WEC received many qualified applications for the position of Director of Special Projects & Innovation. After two rounds of interviews, two finalists were selected and an offer will be made before the November Board meeting.

GRIP Funding

WEC applied for GRIP funding but did not receive either of the grants for which it applied.

Coventry Production

Knowlton noted that production at the Coventry plant appeared to be lower than during September and October 2022. He questioned whether this would be a trend to which the Board and Management should pay attention. Porter stated that the decreased production is due to continued issues with the fifth engine's blower and outages for maintenance. Director of Engineering & Operations Kresock noted that the fourth engine was inoperable for a significant portion of September, and that the plant operators typically conduct maintenance in October.


Outage Reporting

Knowlton praised staff for their work on producing a more detailed map of outages accessible to the public on the WEC website. While maintaining member privacy, the map now features more precise outage locations, causes for outages, and estimated restoration times.

There being no further essential business to discuss, the meeting was adjourned at 6:02 p.m.

Mary Just Skinner, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on November 29, 2023, at which a quorum of the Board was present and voting.


Mary Just Skinner, Secretary