



www.washingtonelectric.coop

CO-OP CURRENTS



Vol. 81, No. 3

The newsletter of Washington Electric Cooperative, Inc., East Montpelier, Vermont.

April 2020

No In-Person Gathering for WEC's 81st Annual Meeting

COVID-19 causes Co-op to cancel dinner; limited business meeting to be held instead

For the first time in Washington Electric Co-op's history, the Annual Meeting will be held with the doors closed. The dinner that precedes the meeting is canceled and members are asked to vote by mail.

The change is due to the COVID-19 viral pandemic that has caused a national emergency. WEC's top priority, said General Manager Patty Richards, is keeping its workforce safe and healthy. Having teams available to restore power in outage situations is critical at all times, she said, and during a pandemic the Co-op must take extra precautions to keep its workers safe. Since March 16, the office and warehouse have been closed to the public, and members are advised to not approach WEC crews and staff working offsite.

The dinner and gathering typical of WEC's Annual Meeting would put everyone in attendance at risk. WEC's Board decided in its March 18 meeting to close the public portion of the meeting and hold a limited business meeting due to the fact that WEC's bylaws require a May meeting of the membership and a Board election.

The Board of Directors agreed that the 2020 election would proceed by mail vote. Incumbent Directors Don Douglas, Treasurer; Jean Hamilton; and Mary Just Skinner are running uncontested.

WEC staff are planning to share the limited business portion of the meeting over WEC's website.

Our community is strong, and we look forward to finishing this meeting later this year.


— Patty Richards

The only business that will be conducted is the business of the election, said General Manager Patty Richards. No other business will be discussed. A recording of the meeting will be available afterward.

Members who have questions they hoped to ask at the Annual Meeting may instead submit them to currents@wec.coop. Any questions will be answered by Directors and WEC staff in the next issue of *Co-op Currents*.

The pandemic hit in the middle of a busy time for the Co-op, and there are plenty of issues to discuss—from the new rate redesign to the drivers behind recent rate increases, from work to increase reliability to exploring how to bring broadband internet to the membership.

Those issues will be discussed when it's safe for Board, staff, and membership to convene once again. "We'll plan to gather our membership later in the year, and it will likely coincide with the Community Meeting in the fall," said Richards.

While grateful to be able to proceed with a Board election, Richards said she is sad to miss the traditions WEC has built into its Annual Meeting, and looks forward to an event in the future. "It's hard to not see old friends and neighbors greeting each other after a long winter, sharing a meal together. I love talking with our members face-to-face, and I will miss that," she said. "However, our community is strong, and we look forward to finishing this meeting later this year." 



WEC members enjoy dinner and conversation before the business portion of the 2018 Annual Meeting. This year, the dinner and gathering are canceled. Board and management will conduct a limited meeting to conduct the business of the election only. The dinner, gathering, and conversation portion of the Annual Meeting will be postponed to a membership meeting later this year.

General Manager's Message

A Look Ahead in Unprecedented Times

As we all navigate unprecedented times, I want to assure our members and the communities we serve that WEC is vigilantly stepping up to the plate. The coronavirus pandemic is forcing WEC and everyone to rethink how business proceeds. Now more than ever, providing reliable electric service is critical. We are keenly aware of the dire situation. I want to be clear that we stand ready

Preparedness, planning, and acting in an emergency are not unusual steps for electric utilities. I hope this is reassuring.

to serve our members' electric energy needs as we move ahead.

As I talked with our editor Katie Titterton today, she summed up her feelings, "I haven't felt this scared and rootless since 9/11." I thought this sentiment captures how so many Vermonters and citizens

feel. I want to assure you all, we get it, and we are taking steps to

continued on page 3

Official Notice and Annual Report

Inside

President's 2019 recap: Read Barry's review of the Co-op's year, p. 2.

Candidate profiles: Position statements from the three incumbents running for WEC's Board of Directors, p. 4.

From RECs to capital credits: The Treasurer's report explains the financial situation of the Co-op. P. 6

WEC's report card: The SQRP index shows how the Co-op performed in 2018. P. 8.



There will be no Annual Meeting gathering and dinner at WEC's Operations Center this year. The Board election will proceed by mail; members are encouraged to fill out and return the enclosed ballot.

Send In Your Annual Meeting Questions

Was there something you wanted to ask at the Annual Meeting? Send your questions to currents@wec.coop. You'll receive a prompt response, and we will answer it in the next issue of *Co-op Currents*.

And remember — you don't need to wait for Annual Meeting to ask. Call or email Patty Richards, Barry Bernstein, or any staff or Director anytime with your questions.

President's Report

Good Investments Help Co-op Weather Challenging Times

Coventry generation plant and cooperative model strengthen WEC's power supply, team, and community

It would be remiss of me in my President's Annual Report not to first address the national emergency currently facing all Americans and people across the globe — the Coronavirus COVID-19. Each day that unfolds makes all of us more aware of the uncertainty and potential ramifications in our own lives, our families' lives, our communities, across the nation and around the world. The economic fallout will be hard on everyone, especially the most vulnerable.

At your electric Co-op we will do everything we can to keep our employees healthy so they are able to keep your power on and fully respond during significant outages.

To protect all our members' health, and to plan for several weeks and possibly months of limited ability to gather, we must make decisions now about our Annual Meeting, originally scheduled for May 7.

Due to the extraordinary events unfolding, we are sadly forced to cancel this year's Annual Meeting gathering and dinner. We will conduct a limited business meeting in May with the WEC Board of Directors. Please note we will continue with the vote and election of three Board seats. This is an uncontested race of three incumbent Board Members who are excited to serve another three years. Please take the time to cast your ballot by mail. It's important to uphold democratic

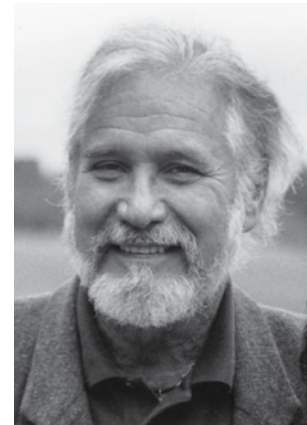
processes in uncertain times. We will consider whether we can expand our Fall Community Meeting to take its place if conditions have improved and stabilized by then.

We ask for your understanding and patience, and together, as a community, we will persevere through this. Please take care of yourselves and your neighbors.

2019 in review

2019 was another challenging year at Washington Electric Co-op as we continue to face more significant and intense storm events. The Halloween Storm resulted in loss of power to 100,000 people statewide and damage to roads and other infrastructure in Vermont, at a price tag of \$10 million. It resulted in 5,865 WEC members losing power

—over half our membership — some for several days, at a cost of over half a million dollars. We had 131 separate outages and a record 23 broken poles. The GMP-Energir transmission line that brings power to our Jackson Corner substation went down. That one outage resulted in over 2,000 WEC homes to lose power. Until GMP was able to repair that connection, our line crews were unable to determine the



Due to the extraordinary events unfolding, we are sadly forced to cancel this year's Annual Meeting gathering and dinner. We ask for your understanding and patience, and together, as a community, we will persevere through this. Please take care of yourselves and your neighbors.

— Barry Bernstein

scope of damage down the line, which hindered getting the power back on for hundreds of WEC members.

In 2019 we had one major storm that qualified for FEMA reimbursement. We are more than ever at the mercy of Mother Nature's severe and erratic high winds, snow, and cold events.

What are members do not get to see during a major event like the Halloween Storm, as we are all focused on our power being out, is your amazing Co-op team at work behind the scenes, and their dedication, cooperation, and sheer perseverance over many days and very long hours. Everyone is on the job early in the morning, except the crew just returning from working through the night. No matter what their position, everyone is on board. Staff are working in the kitchen at the church next to our

office in East Montpelier, which is a staging area to meet and assemble meals, getting a hot breakfast and bag lunch for the lineman, support staff, and mutual aid crews from other utilities. Board members, management, and employee family members show up to help feed folks, who have already readied their equipment at the Service Center, ready to head out. In the late

continued on page 3

Co-op Currents

Co-op Currents (Publication No. USPS 711 -210 and ISSN No. 0746-8784) is published monthly except February, May, August and November by Washington Electric Cooperative, Inc., 40 Church Street, P.O. Box 8, East Montpelier, Vermont 05651. The cost of this publication is \$.48, which is included in the basic monthly charge to each member. Periodical postage rates paid at East Montpelier and at additional offices. Postmaster: Send address changes to Co-op Currents, P.O. Box 8, East Montpelier, Vermont 05651.



WEC is part of the alliance working to advance and support the principles of cooperatives in Vermont.

Board of Directors

President	BARRY BERNSTEIN <i>(May 2022)</i>	1237 Bliss Road, Marshfield, VT 05658 Bbearvt@myfairpoint.net	456-8843
Vice President	ROGER FOX <i>(May 2021)</i>	2067 Bayley-Hazen Rd., East Hardwick, VT 05836-9873 rfox@pivot.net	563-2321
Treasurer	DONALD DOUGLAS <i>(May 2020)</i>	21 Douglas Rd., East Orange, VT 05086 dondougla@gmail.com	439-5364
Secretary	ANNE REED <i>(May 2022)</i>	3941 Hollister Hill Rd., Marshfield, VT 05658 annereed48@gmail.com	454-1324
	STEVEN FARNHAM <i>(May 2022)</i>	125 Farnham Road, Plainfield, VT 05667-9660 steven4wec@gmail.com	917-2581
	JEAN HAMILTON <i>(May 2020)</i>	3499 East Hill Road, Plainfield, VT 05667 Jean.myung.hamilton@gmail.com	777-6546
	STEPHEN KNOWLTON <i>(May 2021)</i>	160 White Rock Drive, #2, Montpelier, VT 05602 knowlsf@auburn.edu	223-2230
	RICHARD RUBIN <i>(May 2021)</i>	3496 East Hill Rd., Plainfield, VT 05667 richardirubin@gmail.com	454-8542
	MARY JUST SKINNER <i>(May 2020)</i>	P.O. Box 412, Montpelier, VT 05601 maryjustskinner@gmail.com	223-7123

PATTY RICHARDS
General Manager
patty.richards@wec.coop

KATIE TITTERTON
Editor
katie@clearspotvt.com

TIM NEWCOMB
Layout

Editorial Committee

Patty Richards Donald Douglas Jean Hamilton Anne Reed Katie Titterton

The Board of Directors' regularly scheduled meetings are on the last Wednesday of each month, in the evening. Members are welcome to attend. Members who wish to discuss a matter with the Board should contact the president through WEC's office. Meeting dates and times are subject to change. For information about times and/or agenda, or to receive a copy of the minutes of past meetings, contact Administrative Assistant Dawn Johnson, at 224-2332.

This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Attend the Annual Meeting Virtually

The business portion of the 2020 Annual Meeting will be held May 7 at 5 p.m. It is not open to the public, but WEC staff are working to find a way for members to attend virtually. To learn how, check <https://www.washingtonelectric.coop> before the meeting.

This year, only the business of the Board election will take place all other business will be held for future discussion.

• **Do you want to attend the meeting virtually but can't?**

We will record the meeting for anyone who misses it. Check the website afterward for a recording.

• **Do you have a question for the staff or Board?**

Send it to currents@wec.coop. You'll receive a prompt response, and we will publish questions and answers in the next issue of Co-op Currents.

Got something to say?

Letter to the editor, comment, or a story tip? Drop us a line at currents@wec.coop or Washington Electric Cooperative, Inc., P.O. Box 8, East Montpelier, VT 05651, Attn: Co-op Currents.



General Manager's Message

be sure we are anchored and firmly grounded. We have all hands on deck and are fully functional. All programs and services continue and we are working with our members, partners, and suppliers to assure full service.

We are evaluating new ways of functioning and we are responding in real time. Our plans change daily, and we are keeping up with information from the state and federal government as it comes out.

These are our priorities:

- We are acutely focused on maintaining the health of our employees so that we will be able to serve our members.
- We must be able to answer members' calls and restore power in the event of storms.
- We know we must be resilient and prepare for whatever comes our way in order to keep the power on.
- We are looking ahead, taking immediate action to keep our workforce healthy and isolated, and sharing information with all the other state electric utilities.

Preparedness, planning, and acting in an emergency are not unusual steps for electric utilities. I hope this is reassuring. Under normal conditions, we face these kinds of demands and stresses on a regular basis under the umbrella of storm restoration. We



While we cannot waive account fees, we will not disconnect for non-payment anyone impacted by the pandemic, whether due to illness or economics. We encourage anyone who can't pay their bill to contact us right away.

— Patty Richards

prepare as if it is only a matter of time before a weather event will come our way. We stand ready to restore power whenever Mother Nature hurls her next challenge at us. To remain ready, keeping the WEC workforce healthy and isolated from the coronavirus is of paramount importance.

We also aware that some of our members have lost jobs and are impacted in many other ways. We have discontinued disconnections during the pandemic, at least through April 30. We will also stop sending out notices of disconnection.

The purpose of this is to reduce the stress, we hope, for those unable to pay their bill right now.

While we cannot waive account fees, we will not disconnect for non-payment anyone impacted by the pandemic,

whether due to illness or economics. We encourage anyone who can't pay their bill to contact us right away. We will refer members struggling with finances to agencies that may be able to provide assistance and offer new help. If we know your situation, we can set up a plan to work with you. Also see on page 5 a resource box of agencies you can contact for further assistance.

I know people are scared and feeling overwhelmed. We want to make sure you know here at WEC we are stepping up our service and responding. These

Why Are We Holding an Election if We Can't Vote in Person?

There are two good reasons WEC is proceeding with this election:

First, WEC's bylaws have no provision if WEC is unable to hold the election.

Second, it's important to uphold democratic processes in a time of crisis.

"We can do it by paper ballot," said General Manager Patty Richards. "Let's get it done!"

Your ballot is enclosed in this issue of *Co-op Currents*. Please fill it out and send it in!

are just a few of the steps we deployed on March 16:

- Closed the office and warehouse to the general public
- Eliminated non-essential work travel
- Increased office cleaning and disinfecting
- Implemented social distancing within the office (separated work areas and limited contact among employees)
- Request employees limit personal travel to within Vermont
- All Board meetings are being conducted virtually

We are actively monitoring and engaged with our fellow utilities and agencies and are responding to planning, response, and mitigation efforts. We are:

- Working to provide situational awareness from local, state, and federal government officials

Mail in your ballot

With no in-person Annual Meeting during the 2020 Board elections, our voting structure has changed slightly. This year, we ask all Co-op members to mail in ballots ahead of time.

Your paper ballot is enclosed in this issue of *Co-op Currents*. Members may vote for a maximum of three candidates; either those on the ballot or write-in.

Ballots must be received at the Barre Post Office by Wednesday, May 6, at 1 p.m.

Please send in your ballot early!

- Evolving our response and plans as more data become available
- Limiting access to line workers and field staff
- Enhancing preparedness at generating plants
- Connecting and enabling mutual aid assistance
- Working with suppliers and vendors to ensure equipment is available
- Incorporating practices that mitigate cross-contamination risk
- Enhancing website capacity and usefulness
- Communicating updates swiftly to members and news outlets

The health and well-being of our employees, members, and the communities we serve is our highest priority. If you have any questions you can reach us at 802-223-5245 or by email at wecMembers@wec.coop.

President's Report

continued from page 2

evening, at 9 or 10 p.m. they return to the church to get a hot supper, tired after a hard and long day, then to catch some sleep, before starting early the next day to begin again, dedicated to get everyone's power back on.

When power is fully restored you can see the smiles and pride on our very tired crew, even though they know there will be weeks of cleanup and final repairs in the field. It is truly something we can all be thankful for and very proud of: a dedicated cooperative family, year in and year out. Thanks to each one of you, our Board, our General Manager, and all WEC employees and their families.

100 percent renewable power supply

In 2005, with full member support, WEC began generating power from our Coventry Landfill Gas to Electric Generating Plant. In 2019 WEC generated 55,727,128 kilowatt hours from Coventry, 70 percent of our

members' energy use. Combined with our Wrightsville hydro plant and other in-state hydro wind and biomass generation contracts, 85 percent of our renewable power is generated in state, with the balance coming from New York hydro (NYPA).

While our members still have 20 years left to pay on our mortgage, Coventry has been a wise investment in our non-fossil fuel future. Vermont electric utilities are mandated to be 75 percent renewably powered by 2032. Your Co-op reached 100 percent well before the state's goals were even considered. I know our members are proud of

WEC's leadership and forward thinking in being 100 percent renewable in our power supply.

Broadband high speed internet update

Your Co-op Board and management spent significant time in 2019 looking at what role we can play to best help facilitate bringing high speed fiber to our members' homes and businesses.

We have been talking with VELCO, the two Communications

Union Districts (CUD) in our service territory—EC Fiber and CV Fiber, and other stakeholders as part of our process. We applied for two grants, one just submitted to the Vermont DPS, which would allow us to hire a consultant to conduct a feasibility study

to help guide us on our decisions. VELCO, our state transmission company, owned by Vermont Electric Utilities, is working with WEC to bring high speed fiber to our substations, main office, and service center, which

continued on page 5



Annual Meeting Change Questions & Answers

Q. I have a question I want to ask. How can I do that?

A. Submit your question to currents@wec.coop. If you don't use email, call Dawn Johnson at 802-224-2332 to ask your question. Questions received will be answered quickly—and compiled and addressed by the Board of Directors or WEC staff in the next issue of *Co-op Currents*.

Q. I want to watch the meeting, but I'm unable to attend virtually at 5:00 p.m. on May 7.

A. We will record the meeting and make it available in a download via <http://www.washingtonelectric.coop>.

Q. I always cast my ballot at the Annual Meeting. Can I bring it to the office instead of mailing it?

A. Thanks for voting every year! Our office is closed to the general public, and we have never been able to accept ballots at the office. This year, for everyone's safety, all members must vote by mail. Please send your ballot in time to arrive at the Barre P.O. by 1 p.m. on May 6.

Q. How do I get a ballot?

A. Your ballot is enclosed in this issue of *Co-op Currents*. You may write-in or vote for no more than three candidates and mail it in.

Position Statements of the 2020 Candidates for the Co-op Board of Directors

Don Douglas

My name is Don Douglas. I have been a Co-op member for 40 years. I have lived in East Orange in the same house for the past 40 years. Members can contact me by phone 802-439-5364 or email dondougl@ gmail.com. I am always delighted to talk to people about the Cooperative.

I have served as Treasurer for WEC for the past 20 years. I retired after 36 years from delivering the mail and have the time to devote to serving on the Board of Directors. I graduated from Washington University in 1971 with a BA in History. I then moved to Austin, Texas and earned an MA in Latin American Studies at UT. After graduating I moved to South America for 16 months before finally coming to live in Vermont where my wife and I raised three children.

I would like to continue serving on the Board because my perspective as the Treasurer is a little different from, but not in conflict with my fellow board members. I am concerned about the cost of electricity to our members. We cannot hope to persuade our members to transition to the renewable energy we sell when the cost is over twenty cents per kilowatt hour. I am concerned about the changing climate, but even if I wasn't worried about the level of CO₂, the state of Vermont and our regulators are requiring WEC to reduce fossil fuel use and encourage beneficial electrification among our members. We have the green energy, but our price point doesn't make for an easy transition for the majority of our members.

I am also interested in our Coventry Gas to Energy facility. We make about two thirds of the energy used by our members up in Coventry. Because of constraints on the transmission lines, we are simply flaring gas that could increase our production of electricity by 50 percent. We are looking for creative solutions for this excess gas.

Another issue that concerns me is fiber optic to every home. Currently many of our members do not have a modern connection to the internet. Many cooperatives around the country have been able to offer their members high speed internet at below market prices. I hope that we can partner or lead the way to solve this problem. Many businesses could and would relocate to our service territory if they had access to reliable high speed internet.



Don Douglas

Jean Hamilton

I live in Plainfield and have been a WEC member since 2014. In 2017, I joined the WEC Board of Directors and have enjoyed all of the learning opportunities during my first term. I am proud to bring my experience in community development, rural economies, and business management to help WEC better serve our community.

Since moving to Vermont in 2000, I have worked in sustainable agriculture and the local food system. I graduated from Middlebury College in 2004 with a degree in Environmental Studies and Religion. In 2012 I earned a masters degree in Business Management from SDA Bocconi. From 2006-2011 I worked for the Northeast Organic Farming Association of Vermont managing market development programs to enhance market opportunities for farmers in wholesale and direct to consumer channels. More recently, I have worked as a freelance business consultant helping small and mid-sized ag and food businesses achieve viability. I specialize in financial coaching, grant writing, and data management.

I enjoy living in a rural community and appreciate central Vermont's shared values of land stewardship, resiliency, and neighborliness.

Members are welcome to contact me by phone 802-777-6546 or by email jean.myung.hamilton@ gmail.com.



Jean Hamilton

Mary Just Skinner

I have lived in Middlesex since 1977. I have been a WEC member for 40 years, and before that I was a Vermont Electric Co-op member for 7 years.

I have been married for 49 years, but my husband Scott passed away this past year. We have two sons and daughter in laws, with two grandchildren. I can be reached at 223-7123, and by e-mail at maryjustskinner@ gmail.com.

I graduated from Barnard College and earned my law degree from Columbia University. I have been a practicing lawyer in Montpelier since 1972. I worked for Vermont Legal Aid for four years and then opened my own law practice in 1976. My practice primarily involves family law and real estate, but earlier in my career I was involved in a number of utility cases. I represented a group of low-income Vermonters in what was known as the "purchased power" case in 1974 which went to the Vermont Supreme Court. We won. That meant utilities could not automatically increase rates without Public Service Board approval.

I have been a member of the WEC Board for eight years. I serve on the Finance Committee, the Community Fund Committee and am the chair of the Power and Operations. I have been a Middlesex Select Board member for the last 22 years, the last ten years as vice chair. I also served seven terms in the Vermont State Senate, including a period as chair of the Senate Finance Committee, which handles utility legislation. I am a member of the Vermont Human Services Board which hears appeals from administrative decisions.

The Co-op's key challenge is always to provide reliable electricity at an affordable price. Our decision to utilize Sheffield wind power and to build the Coventry waste-to-energy plant resulted in local, renewable power as part of our power portfolio at a price below traditional market rate. But we are still the most rural utility in Vermont. We service miles of rural power lines with relatively few customers, eight per mile, therefore we must continue to be creative, agile, and farsighted to meet our goals. This is the job of the Board. I believe in this mission and hope to advance it as a member of the Board.

The Board is innovative, thoughtful, and willing to try new ideas in an effort to keep rates affordable while providing renewable non-fossil fuel power, predominantly in state, to our members. That is the



Mary Just Skinner

**Go Green.
Go Electric.
Go WEC!**

Candidate Profiles

Three candidates seek election to three available seats on WEC's Board of Directors. Each member of the nine-person board serves a three-year term. Members may vote or write-in a maximum of three candidates. **Ballots must be returned by mail this year**, and must be received by the Barre Post Office before the **May 6, 1 p.m.** deadline.

Each year, candidates are invited to submit a statement in response to five prompts:

1. Please introduce yourself.
2. Please briefly describe your background.
3. Why are you seeking a position on the Co-op board? Why would you make a good director?
4. What do you think are the most important issues that the Co-op must face in the next few years? What should WEC do about those issues?
5. Is there anything else you would like to tell the membership?

Report of the 2020 Committee On Candidates

The 2020 Committee on Candidates convened a teleconference on Wednesday, March 4, at 5:00 p.m. to review the petitions and qualifications of those members who submitted their names as candidates for the Board of Directors prior to the teleconference. There are three (3) positions to be filled. Three (3) members of the Washington Electric Cooperative, Inc. submitted their names as candidates for the three (3) Board positions to be filled. The Committee on Candidates hereby affirms:

- that each candidate submitted a valid petition in accordance with Article III, Section 3A of the Bylaws;
- that each has signed a statement of affirmation indicating that they:
 - have been a member of the Co-op in good standing for at least six months;
 - are residents of Vermont;
 - are not employees of the Co-op;
 - do not have a conflict of interest as defined in Article III, Section 2 of the Bylaws; and

- have received and understand the responsibilities and time commitments required of a director.

Therefore, the Committee determines all of the candidates to be qualified for the position of director in accordance with the Cooperative's Bylaws, and hereby presents the following official listing of candidates for the Washington Electric Cooperative 2020 election of Directors:

**Don Douglas
Jean Hamilton
Mary Just Skinner**

2020 Committee on Candidates:

Dale Bartlett	Dorothy Naylor
Michael O. Duane	Carla Payne*
Bud Haas	Joe Safranek*
Ben Hewitt	James Shanley

*did not participate in teleconference



President's Message

continued from page 3

we hope will be fully completed in 2021. Presently our main office, East Montpelier, and Moretown subs are connected.

Special thanks to Director Steve Knowlton, General Manager Patty Richards, Director of Engineering & Operations Dan Weston, Director of Products & Services Bill Powell and the WEC Board for their continued support in this effort. Also, thanks to WEC members Michael Birnbaum and David Healy, also on the CV Fiber Board, both of whom have shared their expertise with us.

Rate increases

WEC filed for a 5.95 percent increase in rates in November, to take effect on January 1, 2020 appearing as a temporary charge. This increase is now under review by the Department of Public Service (DPS). WEC had a 5.45 percent rate increase effective January 1, 2019.

Our rate increases are driven by several constant factors. The major factor driving the rate increase this year was we did not have the income necessary to meet our lender covenants. We missed a key lender ratio in 2019. The majority of the rate increase was due to the need to increase our retail kilowatt hour sales collections so we can meet our margins. Declining sales are largely due to the rapid deployment of solar installations. Our net metering kilowatt capacity (537 members) has more


Mary Just Skinner

continued from page 4

benefit of a Co-op – that it can look to the best interest of its members.

I am very proud of our Co-op for its principled commitment to provide its membership with power at a reasonable cost while at the same time pursuing renewable sources of power which have proven both reliable and cost effective. I have been an advocate on the Board for the Co-op to be recognized for its farsighted and valuable achievements over the past several years. The Coop can be proud of its record; we may be small, but our voice is vitally important in a Vermont utility world dominated by one giant foreign owned utility company.

I believe in cooperatives and cooperative principles. The benefit of a cooperative is that it can act in the best interest of its members as opposed to shareholders whose primary interest is financial profit.

I would be honored to serve another term on the Board and to help build on the Co-op's considerable achievements over the past several decades. The Co-op has in the past been remarkably innovative and I would like to participate in continuing that tradition. I welcome inquiries from Co-op members regarding their concerns or ideas for the future. 

than doubled since 2017 to 28 percent, or 4,467 kilowatts of our peak power and 7.4 percent of our energy. See more in Treasurer Don Douglas's report on page 6.

Sensible rate redesign

In May, 2019, after over two years of discussion with our members, our Co-op filed for a new rate structure with the state Public Utilities Commission (PUC), and received final approval at the end of 2019. It will be implemented after final settlement of our pending rate increase and phased in over two years.

A major reason for the redesign is our commitment to reducing our Co-op-wide carbon footprint in a way that is equitable for all members. Our goal is to continue encouraging energy conservation while creating a paradigm that makes it possible, even sensible, for members to purchase green technologies as they need to replace older vehicles, boilers, and other devices.

By reducing what WEC power costs per kilowatt hour, we hope more members can consider using electricity for heat and transportation needs, instead of fossil fuel.

Our Button Up program complements this effort with financial incentives for weatherization, cold climate heat pumps, hot water heat pumps, advanced wood heating systems, electric vehicles, and more.

Capital credit refunds

Your Co-op Board of Directors allocated capital credit distributions to our members in 2019 totaling \$750,000, equivalent to a 5 percent rate decrease. Capital credit refunds are one of the pillars of what I call the Co-op Difference. Any revenues that are collected over what is needed to meet costs and our lenders' loan covenants are returned to our members over time. More in the Treasurer's report, page 6.

Community fund strong

In 2019, 1,399 member-owners donated \$50,480 in capital credit distributions to support local nonprofit organizations working in our service territory. The grants range from \$100 - \$2,500, and applying is easy. To apply for a Community Fund grant, send a brief letter to General Manager Patty Richards describing your organization and how the money will be used. That will enable Patty and the volunteer Community Fund committee to consider your request.

We encourage all our members to consider donating their capital credit refunds to this fund. Every dollar helps local nonprofits better serve our community. To participate, call WEC's Member Services team: 802-223-5245 or 800-932-5245.

Commitment to safety


Your Co-op's commitment to safety continued in 2019, with 1,584 days without a lost time incident. Difficult and potentially dangerous

fieldwork, often in very challenging and stressful weather conditions, requires safety training to the highest standard. Our warehouse staff, and our office workers, too, must be safety conscious. We're proud to have no significant accidents involving our employees over the past several years. Congratulations to Rick Stergas, our Safety & Environmental Compliance Specialist, and our line crew and staff.

Team appreciation

I want to thank our great Co-op team: Patty Richards, General Manager; Dan Weston, Director of Engineering & Operations; Cheryl Willette, Director of Finance & Administration; Brent Lilley, Operations

& Construction Services Manager; Bill Powell, Director of Products & Services; Susan Golden, Member Services Supervisor; Dawn Johnson, Administrative Assistant; our line crew, engineering, accounting, and member services staff, and all of our Co-op consultants, for their continued commitment to your Co-op.

Special thanks to my fellow Board members, including officers Vice President Roger Fox, Treasurer Don Douglas, and Secretary Anne Reed, for their leadership, commitment, and thoughtful focus on WEC issues, making the board decision making process so successful. Together we all work on behalf of you, the member-owners of WEC. 

Resource Guidance for Those Affected by COVID-19

Our state is working hard to make sure supports are in place for people sickened by COVID-19 and those who lose their income as a result of related closures.

If this includes you, you've likely begun thinking about the resources you will need and started reaching out. This is a general list of supports. Please check first with your regular providers of essential services to see what resources they recommend.

Dial 211

This service is available for people who need assistance finding essential services both in emergencies and at any time.

Health resources

- Visit healthvermont.gov/COVID-19 for the most recent updates and resources.
- CVMC and the UVM Health Network's COVID-19 FAQs: <https://www.uvmhealth.org/Pages/Coronavirus>

Financial resources

- Credit unions and banks throughout the state are updating programs to support their members and customers. Contact your financial institution to learn how they can help.
- If you've been laid off or furloughed: labor.vermont.gov/covid19
- If you're a business owner: accd.vermont.gov/about-us/disaster-planning/covid-19-guidance-vermont-businesses

Food resources

For a list of food shelves near you, call 211 or visit navigateresources.net/211vermont and enter your zip code.

Utilities

At press time, utilities throughout the state are ordered to stop disconnections per the state. Before the order came down, WEC had already discontinued disconnections. While we are not sure when the order will lift, contact WEC and other utilities as soon as possible to work out a plan for your household.

Resources for kids learning at home

- Libraries are closed, but may be offering resources remotely. Check with yours.
- KidsVT's collection of home learning resources compiled from organizations throughout the state: kidsvt.com
- Let's Grow Kids maintains a comprehensive list of childcare, home learning, and other child-related resources: letsgrowkids.org/coronavirus

Community resources

- Check WEC's Community Fund donor list, last published in the July 2019 *Co-op Currents*.
- Subscribe or check the archive of Front Porch Forum for neighbors offering services. frontporchforum.com
- If you're in a position to volunteer or donate, VTDigger's list: vtdigger.org/2020/03/14/guide-how-you-can-help-volunteer-or-donate-during-the-coronavirus-outbreak

Treasurer's Report

Recent Rate Increases Show Urgent Need for Rate Redesign

Changing—not increasing—the way WEC collects income is intended to reduce impacts from factors that led to rate increases in 2018-2019

By Don Douglas, Treasurer

Recent rate increases and rate design

Washington Electric Cooperative continues to work hard to provide the excellent service our members expect and deserve at the lowest possible rate. We filed for two rate increases in 2018, one of which took effect January 1, 2019. Despite this, our kilowatt hour sales continued to decline due to the increased pace of solar installations and the continued adoption of efficiency measures. The drop in kilowatt sales from 2018 to 2019 was over \$2 million.

We currently have a rate increase that took effect January 1, 2020 pending approval from the Department of Public Service (DPS).

To try and stabilize these impacts, WEC filed for a new rate design in 2019 with the intent to capture more of our fixed costs through the monthly service charge and help minimize the impact of declining kilowatt hour sales.

The rate design was approved by the Vermont Public Utilities Commission (PUC) and will go into effect in 2020. The PUC has required the increase to be phased in over a two year period. We expect to continue with small rate increases for the next several years.



To try and stabilize these impacts, WEC filed for a new rate design in 2019 with the intent to capture more of our fixed costs through the monthly service charge and help minimize the impact of declining kilowatt hour sales.

WEC generation sources and net metering impacts

WEC made an enormous investment in renewable energy when we built our Landfill Gas to Energy plant in Coventry. As a co-op, we co-own the in-state renewable plant that generated 70 percent of our power last year. Coventry is a large investment that requires all of our members to contribute towards repaying that loan. Our collective investment in Coventry allows all of our members to say with pride that we have 100 percent renewable, locally generated electricity.

When members choose to net meter to help fight global warming, we are right there with them in trying to reduce carbon pollution in the atmosphere. However, shifting to net metering

in WEC territory doesn't displace any fossil fuels, since our electricity is already renewable. Plus, the cost shift from net-metered members to those who cannot or have not installed solar cells is imbalanced. WEC is pro-solar and we are for all renewable energy sources for transportation and home heating as well as electrical generation.

The issue we need to work with our state regulators and lawmakers on is the cost of net metering. We simply are paying far more for the power than it saves WEC members, and it is causing our rates to rise.

Weather impacts

The weather continues to be a challenge for WEC and our members. We were once again hit by another major storm, the Halloween storm of 2019. This storm qualified for Federal Emergency Management Assistance (FEMA) funding. However, it will only help for Washington and Orange Counties, as Caledonia County did not qualify. WEC sustained damage in all three counties.

WEC increased its spending on right of way (ROW) maintenance in 2019 to address system reliability as well as the invasion of the Emerald Ash Borer. WEC spent \$300,000 more on ROW maintenance over 2018.

Coventry update

Coventry continues to be much more positive picture. In 2019 Coventry produced nearly 70 percent of the energy used by our members. While the value of the RECs produced by the Coventry plant have declined, the production of electricity and the volume of available gas has increased.


Margins

While we ended the year with a

positive net margin of \$959,235, we unfortunately had another net loss on our operating margins of (\$162,792). This is the second year in a row that we have had a net loss in operating margins. Due to this, we once again did not meet our minimum Debt Service Coverage ratio with our lender, National Rural Utilities Cooperative Finance Corporation. We have notified our lender and are working on a waiver for 2019.

Capital Credits

Capital Credits are unique to cooperatives. This, along with democratic control, are the major differences between cooperatives and investor-owned utilities. All the money in excess of what is necessary to run the business is allocated to members and it ultimately is retired, or returned to members, over time. WEC has been retiring capital credits for 16 years. To date WEC has returned \$7.5 million to our members. Each year the Board of Directors must decide if our finances allow for a retirement, and then the Board decides how much we can retire.

On behalf of the Board of Directors I want to thank our entire Finance Department for their hard work and attention to detail and for their dedication to WEC. Copies of our audit are available on line at our website: wec.coop, or you may request a hard copy from the Co-op office. 

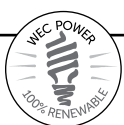
Notice

Mailed ballots must be received at the Barre Post Office no later than 1 p.m. on Wednesday, May 6 in order to be counted. Please allow 3-4 days for in-state delivery and 6-8 days for out-of-state delivery. Ballots mailed or dropped off at the Co-op will NOT be counted.

Contact Dawn Johnson with questions: 802-223-5245.



WEC's priority is keeping its workforce safe and healthy so crews are available in case power needs to be restored. Former lineworker Scott Matheson (L) and First Class Lineworker Jamie Dailey (R) were on the team that repaired this Duxbury line in April 2018, after wet weather caused a tree to fall on the wire.



Consolidated Balance Sheet

Assets and Other Debits

	12/31/18	12/31/19	Increase (Decrease)
Utility Plant			
Total Utility Plant in Service	\$81,163,654	\$82,484,415	\$1,320,761
Construction Work in Progress	72,939	494,164	421,225
Total Utility Plant	81,236,593	82,978,579	1,741,986
Accum. Provision for Depreciation	31,125,132	33,233,211	2,108,079
Net Utility Plant	\$50,111,461	\$49,745,368	\$(366,093)
Other Property and Investment - At Cost			
Invest. in Assoc. Org. - Patronage Capital	416,396	440,665	24,269
Invest. in Assoc. Org. - Other	444,581	440,209	(4,372)
Other Investments	8,026,483	8,202,193	175,710
Total Other Property and Investments	\$8,887,460	\$9,083,067	\$195,607
Current Assets			
Cash - General Funds	783,901	578,448	(205,453)
Notes Receivable - Net	99	99	0
Accounts Receivable - Net	3,221,894	3,723,592	501,698
Materials and Supplies	254,856	325,036	70,180
Prepayments	386,461	607,195	220,734
Total Current and Accrued Assets	4,647,211	5,234,370	587,159
Deferred Debits	941,961	820,654	(121,307)
Total Assets and Other Debits	\$64,588,093	\$64,883,459	\$295,366
Number of Consumers	11,519	11,613	94
kWh Sold	70,493,884	68,358,241	(2,135,643)

Liabilities and Other Credits

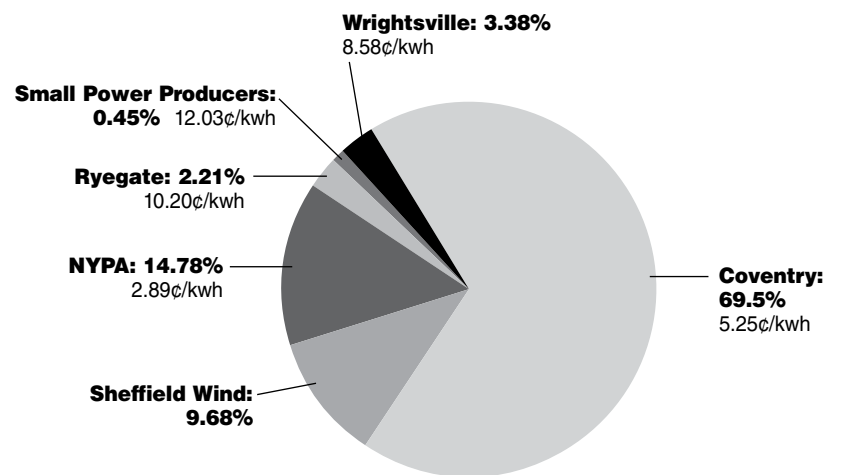
	12/31/18	12/31/19	Increase (Decrease)
Memberships	\$142,505	\$146,865	\$4,360
Patronage Capital Credits	22,658,142	22,701,604	43,462
Operating Margins - Current Year	(399,441)	(162,792)	236,649
Non-Operating Margins	1,143,648	1,122,027	(21,621)
Other Margins and Equities	272,434	280,334	7,900
Total Margins and Equities	\$23,817,288	\$24,088,038	\$270,750
Long-Term Debt			
Long-Term Debt - RUS	4,028,616	3,694,820	(333,796)
Long-Term Debt - FFB	19,046,296	20,291,621	1,245,325
Long-Term Debt - NRUCFC	12,468,491	11,106,252	(1,362,239)
Total Long-Term Debt	\$35,543,403	\$35,092,693	\$(450,710)
Current Liabilities			
Current portion of Long Term Debt	2,359,107	2,431,476	72,369
Line of Credit - CFC	0	425,232	425,232
Accounts Payable	1,571,598	1,489,255	(82,343)
Consumer Deposits	210,847	213,689	2,842
Other Current and Accrued Liabilities	899,630	936,833	37,203
Total Current and Accrued Liabilities	\$5,041,182	\$5,496,485	\$455,303
Deferred Credits	186,220	206,243	20,023
Total Liabilities and Other Credits	\$64,588,093	\$64,883,459	\$295,366

2019 Statement of Operations

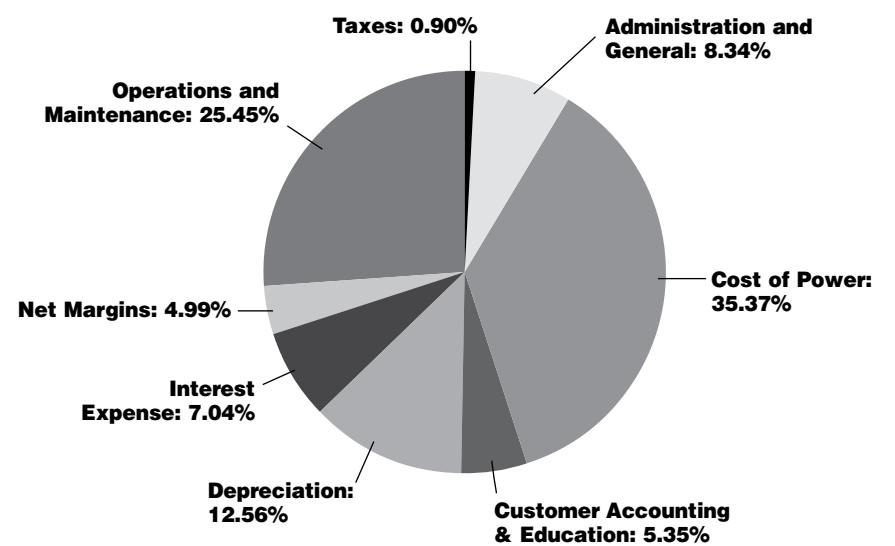
Item	Actual 12/31/18	Actual 12/31/19	Increase (Decrease)
Operating Revenue	\$17,956,947	\$18,114,646	\$157,699
Cost of Purchased Power	5,131,919	4,756,109	\$(375,810)
Cost of Generated Power - Wrightsville & Coventry	1,795,275	2,046,926	\$251,651
Total Cost of Power	\$6,927,194	\$6,803,035	\$(124,159)
Other Operation & Maintenance Expense			
Transmission Expense	105,733	118,879	13,146
Distribution Expense - Operation	1,917,688	2,028,701	111,013
Distribution Expense - Maintenance	2,958,855	2,747,971	(210,884)
Consumer Accounts Expense	725,621	757,870	32,249
Customer Service & Education	274,448	272,216	(2,232)
Administrative and General Expense	1,524,016	1,604,020	80,004
Total Other Operation and Maintenance Expense	\$7,506,361	\$7,529,657	\$23,296
Fixed Expenses			
Depreciation and Amortization Expense	2,398,488	2,416,900	18,412
Tax Expense - Other	162,762	172,989	10,227
Interest on Long-Term Debt	1,336,552	1,349,505	12,953
Interest Expense - Other	25,031	5,352	(19,679)
Total Fixed Expenses	\$3,922,833	\$3,944,746	\$21,913
Total Cost of Electric Service	\$18,356,388	\$18,277,438	\$(78,950)
Operating Margins	(399,441)	(162,792)	\$236,649
Non-Operating Margins - Interest	1,100,615	1,075,101	(25,514)
Non-Operating Margins - Other	43,033	46,926	3,893
Net Margins	\$744,207	\$959,235	\$215,028
Times Interest Earned Ratio (TIER)	1.56	1.71	0.15

2019 Sources and Costs of Power

(Total kWh Purchased and Generated)



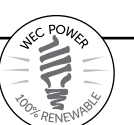
2019 Where the Dollars Went



Fred Collins of Duxbury speaks at the 2019 Annual Meeting. Any member who wished to speak at the 2020 Annual Meeting, send in your question or comment to currents@wec.coop. You will receive a response, and we will print questions and responses in the upcoming issue.



Ballot co-chairs Nancy Fuller and Joe Kelly count ballots at the 2019 Annual Meeting. This year, all Board election ballots must be mailed in to arrive by May 6.



WEC's 2019 Report Card:

Service Quality and Reliability Results

By Patty Richards

Each year, WEC must report how we did in terms of service and reliability to our members, something akin to a report card. WEC, like all Vermont utilities, is required by the Vermont Public Utility Commission to report our performance through what is known as a Service Quality and Reliability Monitoring and Reporting Plan, or SQRP. The SQRP measures the quality of our service to members and our reliability in 12 separate categories.

We are also required to report our performance to Co-op members each year at this time. There are measurements and targets established by regulators for each category, and WEC is assessed on our performance in each area. This allows WEC to measure service, track trends, focus decision making, provide public accountability, and compare our performance with other utilities.

WEC usually does well in meeting the targets, and we did again in 2019, meeting all of our requirements. In fact, in many categories WEC performed significantly better than required.

Our system reliability statistics were a challenge in 2019 due to the number of storms that hit us throughout the year. WEC met our goals in beating the outage duration metric, and we also met a goal for the number of outages we experienced with both indices excluding major outages. We note that outage and reliability measures are affected by factors outside our control: namely, weather, which has become more severe with the impacts of climate change in effect.

1. Worker Safety Performance. We care greatly about the safety of our employees, for their own well-being and as an indicator of how safely we operate as a utility. As members may know, the work many of our employees do is high risk, strenuous, and physically demanding. Our target is to have no more than six incidents that result in lost work time, and no more than 39 days of lost work among all employees in a year.

In 2019, we had no lost-time incidents and no lost time days. That is an amazing accomplishment and we are very proud of our staff's efforts to work safely!

2. Outage incidents. The System Average Interruption Frequency Index (SAIFI) measures the average number of outage incidents that occurred per member (exclusive of major storms, like the storms that occurred in May and November). Our target was no more than an average of 3.8 outages per member.

We averaged 3.4 this past year, meaning we were slightly better than the target (excluding major storms). This metric is being driven by the intensity of

storms experienced in WEC's service territory which is driven by the effects of climate change.

3. Outage duration. The Customer Average Interruption Duration Index (CAIDI) measures the average time it took to restore power when there was an outage (exclusive of major storms). Our target was no more than 2.7 hours average duration.

In 2019, our average interruption rate was 2.4 hours, meaning we were below requirement. Although we met the requirement, we continue to experience unusually intense weather cycles with repeated storms sweeping through WEC's 41 towns, often clustering and wreaking havoc in the same areas.

4. Calls not answered within 20 seconds. Our requirement is that no more than 15 percent of WEC's incoming calls take more than 20 seconds to answer. Our Member Services Representatives and our backup service from the Cooperative Response Center (CRC) answered approximately 35,859 calls last year.

In 2019 14.7 percent of those calls took longer than 20 seconds to answer. We met the requirement, but the unusually large volume was due to the number of calls received during the Halloween storm.

5. Bills not rendered in seven days. Our target is that no more than 0.10 percent of bills (one in 1,000) are issued more than seven days after they were supposed to.

Out of 133,877 bills that went out to our members over the year, no bills were issued late.

6. Bills found inaccurate. No more than 0.10 percent of all bills (one in 1,000) sent should be found inaccurate.

We met our target here too, with 28 bills for the year reported inaccurate, or 0.021 percent of bills issued.

7. Payment posting complaints. Our target was that no more than 0.05 percent of members (one in 2,000) have complaints about payments not promptly and accurately posted to their accounts.

We had two complaints in 2019, or 0.001 percent, meaning we came in below the target.

8. Meter readings per month. Although there are situations where a meter can't be read and we have to issue an estimated bill, this should be kept to a minimum of no more than 5 percent of bills (five in 100).

We had four estimated meter reads in 2019, coming in below the target at 0.003 percent.

9. Requested work not done on time. When we extend lines to new homes or perform work requested by members, we want to complete the work efficiently and according to the member's timeline. Although schedules for a project may change, our engineering staff and line crews stay in touch with the member to complete the

Visit the new [wec.coop](https://washingtonelectric.coop)

Our new website is live! Visit <https://washingtonelectric.coop> for all your Co-op needs. [wec.coop](https://washingtonelectric.coop) will get you there, too.

During emergencies and outages, look for updates scrolling in red text at the top of the page.

Especially during emergencies and outages, [wec.coop](https://washingtonelectric.coop) is an important tool to provide better service and more resources to you, our members.

project in a timely manner.

Our goal was that no more than 5 percent of requested jobs be completed later than expected.

In 2019, as in past years, all jobs were on time. We had 345 projects and no late complaints.

10. Average delay days after missed delivery date. Not applicable. If we had missed our timeline estimates in section nine above, we would have needed to report how long these delays actually were.

11. Customer satisfaction. WEC's SQRP requires a professional survey be conducted every five years that contains customer-satisfaction questions. We conducted a survey in late 2015 and received high marks. We reported the results in the December 2015 issue of Co-op Currents, which is available on our website. The five-year cycle calls for a new satisfaction survey to be performed in 2020.

To highlight a few sections of the last survey, we note that reliability was the most important service attribute to WEC members. We received high scores in this area, but we need to do more. We will continue to work to improve reliability in towns with rugged

terrain. In addition, we continue to invest in equipment that will harden the grid system, with the goal of improving reliability in our remote areas.

Having competent, knowledgeable, and friendly staff also ranked high as a member priority, as well as value for the money you spend for your power. We will work on all these attributes to improve service and keep our rates affordable to all members.

12. Complaints to DPS/Consumer Affairs. Vermonters with complaints about their utility can report their concerns to the Consumer Affairs Division of the Department of Public Service (DPS). The DPS then contacts the utility to get more information about the matter. In most cases, issues are resolved by discussion, or the DPS determines that there is no basis for the complaint. However, when the DPS determines that a utility has not done something right and requires that it be corrected, this is recorded as an "escalation."

WEC's SQRP requires that the number of escalations not exceed 0.07 percent of our membership (or about seven per year). In 2019, no escalations were reported.

A MESSAGE FROM CO-OP CURRENTS

In a Pandemic, Hold Tight to Your Co-ops

These are scary times. While we've experienced natural and human-made crises over the years, few of us have seen a global crisis unfold in a matter of weeks.

Vermonters are excellent at supporting each other. For those of us in close-knit communities, a critical challenge of the COVID-19 pandemic is the inability to come together face to face to support one another. We are adapting to connecting virtually, and look forward to the day we can once again hug our neighbors and shake their hands.

For those of us who belong to co-ops, we maintain a sense of security and control over the essential services we co-own along with our fellow members. Co-owned services are by nature of and for the community; money and resources do not travel out of state or funnel up to the shareholders of international conglomerates. This is the reason utilities, and other providers of basic needs, best serve their members when they're cooperatively owned and governed.

Your co-ops—whatever cooperative services they provide, whether food, banking, electricity, or other services—are owned and operated by you and your neighbors. You have the right and responsibility to attend annual meetings and vote in Board elections. You have a say in how you are served. You can expect to be heard in a crisis. You can expect to be heard any day.

Hold tight to your community and your cooperatives. We all support each other. We are all in this together. 