

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

**September 25, 2024**

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:00p.m. by President Stephen Knowlton. The following Board members were in attendance:

Susan Alexander	Don Douglas	Mary Just Skinner
Pat Barnes	Steven Farnham	
Olivia Campbell Andersen	Stephen Knowlton	

Also present were General Manager (GM) Louis Porter; Attorney David Mears of the law firm Tarrant, Gillies, & Shems, the Cooperative's legal counsel; Director of Finance & Administration (F&A) Teia Greenslit; Director of Engineering & Operations (E&O) Dave Kresock, Director of Products & Services (P&S) Bill Powell; Director of Special Projects & Innovation (SP&I) JJ Vandette; Member Services Supervisor Susan Golden; Administrative Assistant Dawn Johnson, and member from East Montpelier Ian Buchanan. Director Campbell Anderson, staff members Golden, Powell and Vandette all attended via video teleconference. Director Campbell Anderson joined at 4:05 p.m.

**CONSENT AGENDA**

The consent agenda included the minutes of the August 2024 regular Board meeting held August 28, 2024.

*President Knowlton declared the minutes of the regular August 2024 meeting of the Board of Directors, held August 28, 2024, approved.*

**MEMBER COMMENTS**

President Knowlton introduced member Ian Buchanan from East Montpelier.

Knowlton reminded Buchanan that the Board will listen to his presentation but may not comment until they have had time to reflect on what is presented. Mr. Buchanan provided handouts to the Board outlining his presentation regarding beneficial electrification and statistics supporting the need. Buchanan commended the Board and WEC for its current work. He recommended WEC act as an authority in navigating the technology by creating a committee that would educate and support members on how to expand beneficial electrification in their households. Knowlton noted that the Board or appropriate committee could consider his presentation.

**COBANK LINE OF CREDIT (LOC) APPROVAL**

General Manager Porter gave an overview for the need of the CoBank LOC. Director of F&A Greenslit presented the CoBank LOC to the board with the understanding that the contract terminates at the end of 364 days, June 30, 2025, and the borrower has the option to renew the terms for a new 364 day contract prior to the end date. The contract provides \$1 million committed LOC funds for ongoing accessibility and a \$2 million uncommitted LOC that provides funds on emergent access basis like large storms. These LOCs are in addition to the \$2.6 million one with CFC that WEC currently has. The documents have been reviewed and are now ready for execution. There is no access restriction on the committed funds but there can be restricted access on the uncommitted LOC. It is WEC's discretion as to which LOC is executed first, CFC or CoBank. The LOC will also support cash flow issues between CWP's. There is a membership cost of \$1000 but there are no other additional costs.

*On a motion by Director Farnham, seconded by Director Barnes, the Board voted to adopt the line of credit with CoBank of a committed \$1.0 million and an uncommitted \$2.0 million with the authorization of the Board's Secretary Betsy Allen. The motion passed 7-0.*

### **TRANSFORMER POLICY REIMBURSEMENT**

President Knowlton reminded the Board that a brief discussion is required to approve refunding members for the amount they paid for transformers due to load increases in 2024. General Manager Porter made the recommendation to make the reimbursement timeframe retroactive to January 2024. The reimbursement will comply with Rural Utilities Service (RUS) accounting guidelines as well as bring WEC in synch with other Vermont utilities.

*On a motion by Director Skinner, seconded by Director Douglas, the Board voted to refund members retroactively to January 2024. The motion passed 7-0.*

### **NRECA UPDATE**

Director Douglas is the state of Vermont's representative of NRECA. He noted that the NRECA is celebrating the receipt of funds from the Biden administration, that includes WEC's AMI upgrade. Douglas provided a brief overview of the NRECA member retirement administration and the need for an artificial intelligence (AI) policy. Douglas mentioned that there is slow moving change to the opinions regarding climate change.

### **QUARTERLY FINANCIAL REPORT**

President Knowlton reported that staff provided the FAPP committee in a meeting one week prior to this board meeting with an outline of the 2025 budget data reflecting the need for a rate increase. This notice provides the Board with time to consider the proposed budget and the possibility of voting on a rate increase at a later date.

Director of F&A Greenslit reminded the Board of the report that was in the August board packet that illustrated where WEC is currently and the projected year end. The projection included the significant increase in property taxes and the over-budget variance on large storm expense. Long range forecast assumptions show a potential justification for a rate increase just under 3%. Greenslit reminded the Board that only known and measurable costs can be used for computing the recommended value of a rate increase for a rate case.

General Manager Porter explained to the Board that currently up to a 3% rate increase is the cut-off to meet the requirements for a simplified rate increase process with the PUC. This potentially could decrease the length of time with the regulators' discovery process if the proposed rate increase is below 3%.

Director Farnham inquired if tax increases are appealed to the towns. Porter noted that WEC has appealed Coventry in the past because it was such a substantial increase. Greenslit explained that the tax increases are challenging to appeal because the increases are on infrastructure values, and we would be appealing to the State, not the towns, against the standard valuation calculation the State has in place. It was noted that WEC has gone to the State regarding the validity of valuations and has not had success because it is a system issue.

Greenslit noted that the power supply expense data is needed to forecast the proposed percentage increase of customers' rates. There will be a request for consideration of a specific rate increases brought to the October board meeting. If approved, the rate case would be filed in November and become effective January 1, 2025.

## GENERAL MANAGERS REPORT

### *AMI Vendor*

President Knowlton commented on the proposals received from prospective AMI vendors. All vendors proposed plans for WEC meters to transfer their metering data via radio-frequency communication to a number of digital gateways, which would then broadcast via cellular, fiber, or other means to a central facility. One proposal suggested that future meters might be redirected to satellites that would eliminate much of the terrestrial infrastructure required of a new AMI system. While no decision has yet been made by the proposal evaluation committee, Knowlton commended the willingness of WEC staff and consultants involved in the evaluation to listen to each other, learn, and discuss the options for future-proofing a new metering system. It was noted that if we were to wait on the new technology proposed the availability of WEC's grant funding could be in doubt.

### *IRP/Community Meetings*

General Manager Porter discussed finalizing the process for regulatory approval of WEC's recent draft IRP. He mentioned that the DPS has made a large number of requests of additional topics and processes for this and future IRPs. Porter noted that the detailed content of an IRP is not strictly subject to regulatory approval; in particular, he noted that WEC should return to having community meetings to present the IRP to WEC members, but that the IRP process is not required to have a public meeting forum.

### *Statement of Ownership*

Administrative Assistant Johnson explained to the Board that the Statement of Ownership is a United States Postal Service (USPS) requirement due each year by October 1 which renews WEC's permit to mail *Co-op Currents* as a publication.

## INFORMATION ITEMS

General Manager Porter informed the Board that they may hear from members that WEC is considering the sale of the Wrightsville Hydro Plant because there will be a notice to members on the subject in *Co-op Currents*. WEC will need RUS approval to sell it, and the new owner will need to seek PUC approval.

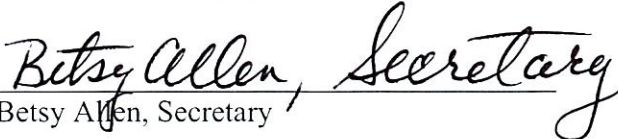
President Knowlton noted that the power output from Coventry has slightly decreased, and a new chiller will be needed at the plant. Knowlton asked staff if it was possible to purchase a new chiller sooner than later. Director of E&O Kresock stated that there is 24 week lead time, but the chiller has been ordered. Kresock projected a February arrival and a Spring installation.

There being no further essential business to discuss, the meeting adjourned at

5:46pm.

Betsy Allen, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on October 30, 2024, at which a quorum of the Board was present and voting.

  
Betsy Allen, Secretary

