



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

APPROVED MINUTES

February 28, 2023

As required under the VEC Bylaws, notice of this meeting was sent to each director on February 21, 2023, either via US Mail or by electronic means for those directors requesting such delivery.

Board Members Present: Rich Goggin (President), Paul Lambert (First Vice President), Carol Maroni (Second Vice President), Jody Dunklee (Secretary), John Ward, Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle (Treasurer), and Don Worth.

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operations Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), John Varney (Manager of Safety, Security, and Facilities), Cyril Brunner (Innovation and Technology Leader), Laura Kinney (Project Planner), Vickie Brown (General Counsel), and Daniel Woodhouse, Energy and Innovation Fellow.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:00 noon.

AGENDA ITEM #2 -- SAFETY MINUTE

Maroni shared an experience where she used hand sanitizer in a public place and it squirted into her eyes. She was unable to locate an eyewash station and had to use a public bathroom to flush her eyes. She advised everyone to take care using a pump hand sanitizer and keep an eye wash kit as part of their home first aid kit.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Lague moved and Woodward seconded that the minutes of the regular monthly Board of Directors meeting held January 31, 2023 be approved as presented.

The minutes were approved by unanimous vote.

AGENDA ITEM #4 – CEO 2022 PERFORMANCE REVIEW

Bailey moved and Maroni seconded to go into executive session to discuss personnel issues.

The motion was approved by unanimous vote and the Board entered executive session at 12:10.

By unanimous agreement, the Board exited executive session at 1:20.

Woodward moved and Bailey seconded to set the CEO 2023 salary increase at 5.44%, retroactive to January 1. The motion passed by unanimous vote.

AGENDA ITEM #5 – IJJA OPPORTUNITIES

Brunner introduced Daniel Woodhouse, Energy and Innovation Fellow, who has been assisting VEC in researching opportunities for funding through the Infrastructure Investment and Jobs Act (IJJA). Brunner explained the elements of funding for electric utilities under the IJJA, noting that VEC has focused on pursuing grants in areas that tie to elements of the company's strategic plan, namely:

Strategic goal -- Pursue operations reliability

- Prioritize investments in infrastructure for electrification and increased load
- Continually reduce outage duration and quantity for members

Strategic goal -- Maintain financial strength

- Increase load through competitive incentives for beneficial electrification, decarbonization, and economic development

Strategic goal -- orchestrate distributed energy resources

- Pursue complementary forms of renewable energy and/or storage

He further noted some grant opportunities that the company can pursue on their own, some that it can work in partnership with other entities, and a third category where VEC's role is an influencer. A summary of the company's areas of focus thus far follows:

IIJA Section	Applicant	Partners	Project Description	Funding Ask	Status
Resilience Formula Grants	Vermont DPS	All VT Utilities	Traditional infrastructure investment (undergrounding, line relocations)	TBD	Pending Vermont DPS
GRIP Topic 1 - Resilience	VEC		10 miles of 6 steel reconductoring and/or undergrounding, feeder backup of our West Charleston-2A circuit	\$2.2 Million*	Partial Acceptance (West Charleston Project), VEC working to submit application (Due 04/06/2023)
GRIP Topic 1 - Resilience	NRECA	~80 cooperatives	An additional 15 miles of 6 steel reconductoring and/or undergrounding	\$2.3 Million*	VEC working to submit application through NRECA (Due 04/06/2023)
GRIP Topic 2 - Smart Grid	NRECA	~80 cooperatives	Smart fault finders and batteries for low income members	\$1.8 Million*	VEC working to submit application through NRECA (Due 03/17/2023)
GRIP Topic 2 - Smart Grid	UCONN	UVM, VPPSA, VELCO and VEC	Predictive modeling of substation transformer hot-spot temperatures and flexible demand programs	\$0.6 million	UVM and UCONN working to submit application
GRIP Topic 3 - Innovation	Vermont DPS	All VT Utilities	Statewide battery deployment (~4,000 households, substation batteries and transmission long duration storage)	\$120 million (Statewide)*	Pending DOE approval for application (expected in March)
ERA Topic 2	NRECA	TBD	15 miles of 6 steel and 8D reconductoring and/or undergrounding	\$4.1 Million*	Pending NRECA approval for concept paper
ERA Topic 3	NRECA	TBD	Replacement of the remaining 2400 Volt distribution circuits on our system (~1,200 transformers)	\$3.1 Million*	Pending NRECA approval for concept paper

There were numerous questions from directors throughout the presentation.

AGENDA ITEM #6 – BREAK

This was taken earlier in the meeting, after the executive session.

AGENDA ITEM #7 – VEC VISION DISCUSSION

Towne summarized the progress to date in updating the company vision statement, with several brainstorming and prioritizing sessions by the Board as well as input from employees via a survey. She noted that there are two options for moving forward: the Board can select one vision statement today by vote, or it can continue to work on the material generated with the assistance of a professional branding consultant.

After discussion, the Board consensus was to defer deciding on a vision statement but to use the work done to date and work with a consultant to create a final product.

AGENDA ITEM #8 – BOARD EDUCATION UPDATE

Kinney reported on her research as to topics and format for hosting an in-state Board training day facilitated by an NRECA trainer. She presented several options for the Board's consideration.

After discussion of the options, Maroni moved and Lague seconded to hold an offsite meeting on June 26-27, with the monthly Board meeting held the first day and the training session held on the second day. The motion passed by unanimous vote.

Van Winkle moved and Maroni seconded to revise the vote to hold the offsite on June 26-27, with staff to work out the logistics of scheduling the two meetings. The motion passed by unanimous vote.

As to topics, Kinney reported that the NRECA trainer was available for the two topics that the Board had previously selected: "Electric Vehicles: Strategy & Policy Considerations" or "Being the Consumer-centric Utility."

After discussion, the consensus was to select the second topic and perhaps include a session on electric vehicles in a future Board meeting.

AGENDA ITEM #9 – ANNUAL MEETING PLANNING

Cohen summarized the planning to date for the 2023 annual members meeting. Candidates for the Board are gathering petitions now, and the Board will need to appoint two current Directors to serve on the Petition Review Committee to check signatures on the petitions.

After a discussion as to volunteers, Maroni moved and Woodward seconded to appoint Maroni and Van Winkle to the Petition Review Committee. The motion passed by unanimous vote.

Cohen also noted that, once the Petition Review Committee has completed its review, the Board will meet to review and approve the slate of candidates. Lague moved and Van Winkle seconded to hold that meeting on March 20 at 1:00. The motion passed by unanimous vote.

There was a brief discussion as to the business and format for the meeting.

AGENDA ITEM #10 – GOVERNANCE COMMITTEE REPORT

Hoepfner noted that the Governance Committee met on January 17, 2023, and the minutes of the meeting were included in the packet.

Maroni moved and Woodward seconded to approve the minutes of the Governance Committee meeting held on January 17, 2023. The motion passed by unanimous vote.

Hoepfner reported that the Committee reviewed one policy (BOD.12 – Legal Representation and Use of Attorneys) without recommending changes, so no Board action is needed on that.

Hoepfner also reported that the Committee recommended that the Board approve a revision to the CEO Emergency Succession Plan, which is an Attachment to Policy BOD-7, to change the Acting Manager from General Counsel to Chief Operating Officer, with the Chief Financial Officer as a back-up. Maroni moved and Worth seconded to approve the changes to the CEO Emergency Succession Plan, as recommended by the Governance Committee. The motion passed by unanimous vote.

Hoepfner also noted that there was a change recommended to the Capital Credits policy, which will be addressed as part of the Member Services Department manager's report.

AGENDA ITEM #11 —MANAGERS' REPORTS

There were several questions and comments as to details in the managers' reports.

Cohen's report included a summary of the administrative steps necessary to change the Capital Credits Policy to allow for early payout of patronage capital for members entering hospice, as recommended by the Governance Committee. There was a discussion of whether to implement the change now or wait for the administrative logistics to be worked out.

Maroni moved and Hoepfner seconded that Policy BOD.15 be revised to state that VEC may specially retire capital credits upon the request of a member or former member with a terminal illness who is either eligible for hospice or in hospice. The motion was approved by unanimous vote.

AGENDA ITEM #12 —OTHER BUSINESS

There was no other business.

AGENDA ITEM #13 – ADJOURN

Lague moved and Maroni seconded to adjourn. By unanimous vote, the meeting adjourned at 4:00 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President