|  |  |
| --- | --- |
| VEC Logo Portrait Blue | VERMONT ELECTRIC COOPERATIVE, INC.  REGULAR MEETING OF THE BOARD OF DIRECTORS  APPROVED MINUTES  March 29, 2022 |

As required under the VEC Bylaws, notice of this meeting was sent to each director on March 22, 2022 either via US Mail or by electronic means for those directors requesting such delivery.

Present were directors Rich Goggin (President), Paul Lambert (First Vice President), Carol Maroni (Second Vice President), John Ward (Treasurer), Jody Dunklee (Secretary), Tom Bailey, Ken Hoeppner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, Chief Operations Officer Peter Rossi, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, Chief Financial Officer Michael Bursell, Innovation and Technology leader Cyril Brunner, Project Planner Laura Kinney, Energy Services Analyst Lisa Morris, and Energy Services Planner Jake Brown. Special guests were financial auditors Mark Mayer and Bill Keyser of Kittell Branagan and Sargent,

# AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:02 p.m.

# AGENDA ITEM #2 -- SAFETY MINUTE

Van Winkle reminded the board that they have been remote for a long time and that returning to in-person will be an adjustment and to be mindful of workplace safety.

# AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Maroni moved and Lague seconded that the minutes of the regular monthly Board of Directors meeting held February 22, 2022 be approved as presented.

The minutes were approved by unanimous vote.

# AGENDA ITEM #4 – REVIEW FINAL 2021 FINANCIAL AUDITOR REPORT

Mark Mayer and Bill Keyser, of Kittell, Branagan and Sargent, VEC’s audit firm, joined the meeting.

Keyser reported on the results of the 2021 audit. The auditors issued an unqualified opinion with no audit findings. The auditors recommended no adjustments to the financial statements that the Board has reviewed throughout the year.

Keyser reported that VEC met all of its financial covenants for 2021, which turned out to be a strong year for VEC. The Paycheck Protection Program loan was forgiven in June 2021. In September 2021 VEC applied for a revision to an existing accounting order that allows VEC to extend PPP benefit recognition into 2022. Keyser noted the uncollected receivables saw significant improvement from 2020 to 2021.

Finally, Keyser reported that in 2021, VEC had no rate increase, and in 2022 VEC implemented a 1.96% rate increase. No new debt was reported in 2021, and the equity level remains above 40%, which is required under VEC Board policy for completing patronage capital retirements.

Looking forward, KBS will prepare VEC’s Form 990 and provide a draft to the Board for their April monthly meeting.

There were a number of questions from the Board throughout the presentation.

Pratt moved and Lague seconded to go into executive session to discuss the audit report without staff present.

The motion passed by unanimous vote and the Board entered into executive session at 12:37 p.m.

All VEC staff left the meeting.

By unanimous consent, the Board exited executive session at 12:50 p.m.

Staff rejoined the meeting.

Mayer and Keyser left the meeting.

Ward moved and Hoeppner seconded to accept the auditor’s report. The motion carried by unanimous vote.

# AGENDA ITEM #5 – POWER SUPPLY & OPERATIONS COMMITTEE RECOMMENDATIONS

Lague reviewed the VEC Power Supply & Operations Committee’s recommendation from the March 24, 2022, committee meeting to approve the topics as presented in the Integrated Resource Plan (IRP) and further recommended that VEC management facilitate the prompt completion and filing of the full IRP with the Public Utility Commission.

Lague moved and Pratt seconded that the VEC Board approve the topics to be covered in the Integrated Resource Plan (IRP) as presented at the March 24, 2022 Power Supply & Operations Committee as well as the Committee’s further recommendation that VEC management facilitate the prompt completion and filing of the full IRP with the Public Utility Commission.

There was a brief recap of the contents to be included within the IRP.

The motion passed with eleven directors voting in favor and one abstention.

# AGENDA ITEM #6 – LOW AND MIDDLE -INCOME STRATEGIES, LEARNINGS AND CHALLENGES

Morris and Brown joined the meeting.

Cohen began the presentation explaining how member data and information drives VEC programs and policies specifically focusing on the 2022 strategic plan and workplan goals.

Morris provided information about energy transformation programs for low-to-moderate income member participation and pilot projects for rural residence with a high energy burden. She noted that VEC was awarded a $100,000 VLITE grant to assist low-to-moderate income members with thermal fuel-switching projects to help them reduce fossil fuel consumption and save money on heating. The program implementation will integrate with the weatherization and heat pump installation partnership with Efficiency Vermont (EVT) through Act 151 funding. ​

Morris described an on-bill financing pilot project and weatherization repayment assistance program (WRAP)​ that VEC is exploring in partnership with Vermont Housing Finance Agency. The program is scheduled to launch this summer.

Morris described the upcoming rural community projects within Newport and Richford to identify residential efficiency and electrification opportunities.

Cohen noted that VEC continues to explore grant funding opportunities that could help low-to-moderate income members enroll in the VEC Community Solar​. Cohen mentioned other opportunities for low-to-moderate-income members, including infrastructure funding for make-ready​ and grid improvements.

Cohen reviewed other state programs for income-qualified members, including the Energy Efficiency Modernization Act, Mileage Smart, ​Replace your Ride, and Energy Smart Vermont.

There were numerous questions throughout the presentation.

Brown and Morris left the meeting.

# AGENDA ITEM # 7 -- BREAK

There was a break in the meeting from 2:14 p.m.to 2:33 p.m.

# AGENDA ITEM #8– JOHNSON OFFICE DESIGN

Varney provided an overview of the Office Committee, recognizing that the space employees live and work in reflects and reinforces core values. He noted that the Committee identified that much of the office space does not reflect VEC’s values and the need to explore the office space in more detail. Varney noted that Kinney joined the Committee as the project manager in 2021 to explore how VEC’s office space could be more intentional.

Kinney presented an overview of the new proposed Johnson office renovation focusing on the Committee’s key design focus areas:

* Address building maintenance issues in need of attention
* Provide a practical and cost-effective project
* Provide a productive work environment that encourages connection and collaboration
* Deliver a design that is better aligned with VEC’s brand by creating a welcoming and innovative experience for guests
* Support VEC’s future vision

She further explained that the pandemic shifted the way employees work through technology and that the office is the best spot for collaborative work. The new office should be designed for brainstorming, relationship-building, and spontaneous conversation.

Kinney provided the project next steps requesting board approval to move forward.

There were several comments and questions throughout the presentation.

Woodward moved and Worth seconded that Vermont Electric Cooperative, Inc, ("VEC") is authorized to increase its Capital Budget in order to fund the renovation of the Johnson VEC headquarters (the “Special Project"). Specifically, VEC is authorized to spend up to the total Special Project estimate ($1,925,000), as presented at the March 29, 2022 Board Meeting, plus an additional 10% contingency ($192,500) for a total Special Project cost of $2,117,500.

The motion passed with Dunklee, Goggin, Lambert, Pratt, Van Winkle, Woodward, and Worth voting in favor and Bailey, Hoeppner, Lague, Maroni, and Ward voting against.

# AGENDA ITEM #9 – CEO REPORT

Towne reviewed the Barton Village Trustees’ approval of selling Barton Village Electric to VEC. She noted that VEC and Barton Village Electric would sign a purchase and sales agreement next week. She stated that Barton Village Electric has approximately 300 resident owners and that they will vote on the sale in May. Towne noted that VEC and Barton Village Electric would work together to align communication with Barton Village Electric customers and VEC members, and there will be two public informational meetings for Barton customers over the next month.

There were several questions and comments throughout the discussion.

# AGENDA ITEM #10 – MANAGER’S REPORTS

There were several questions throughout the management reports.

# AGENDA ITEM #11 –OTHER BUSINESS

There was no other business.

# AGENDA ITEM #12 -- ADJOURN

Woodward moved and Ward seconded to adjourn. By unanimous vote, the meeting adjourned at 4:58 p.m.

Respectfully submitted:

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Jody Dunklee, Secretary |  | Rich Goggin, President |