

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

May 25, 2021

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on May 18, 2021 or by electronic means for those Directors requesting such delivery.

AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:02 pm via video conference. Present were Directors Ken Hoepfner, Carol Maroni (Second Vice President), Mark Woodward, George Lague, Charlie Van Winkle, Don Worth, Paul Lambert (First Vice President), John Ward (Treasurer), Jody Dunklee (Secretary), and Bonnie Pratt. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Operations Officer Peter Rossi, Chief Financial Officer Mike Bursell, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, and Project Planner Laura Kinney.

AGENDA ITEM #2 -- SAFETY MINUTE

Woodward shared an incident he observed where a bicyclist with safety lights was placed at risk when a person backing out of a driveway failed to see cyclist, despite the flashing lights. He advised that bikers should assume that vehicle drivers do not see them.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Goggin asked for a motion to approve the minutes of the April Board meeting.

Woodward moved and Worth seconded:

That the minutes of the regular meeting of the Board of Directors held on April 27, 2021 be approved.

The minutes were approved by unanimous vote.

AGENDA ITEM #4 -- BOARD COMMITTEE CHAIR ASSIGNMENTS

Goggin noted that the current chairs are willing to retain their chair assignments for the coming year with the result that Hoepfner will chair the Governance Committee, Maroni will chair the Communications Committee, Ward will chair the Finance Committee, and Lague will chair the Power Supply & Operations Committee.

Goggin further noted that Bailey's term on the Community Fund was expiring and he asked Pratt to take that seat on the Committee. The Chair of that committee will be selected by the committee when they next meet.

AGENDA ITEM #5 – CHANGE DATE OF DECEMBER 2021 BOARD MEETING

Goggin observed that when the Board set the schedule at the Organizational Meeting, the December meeting was set on the last Tuesday, in the midst of the holiday week.

Worth moved and Hoepfner seconded to move the December meeting from 12/28/2021 to 12/21/2021.

The motion passed by unanimous vote.

AGENDA ITEM #6 – REVIEW POTENTIAL TRANSACTION

Worth moved and Ward seconded to go into executive session to discuss a confidential potential transaction.

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

Lague moved and Maroni seconded to exit executive session and by unanimous vote the Board exited executive session at 12:58 pm.

There was a brief discussion as to how best to proceed.

Lague moved and Maroni seconded to go back into executive session to discuss legal matters.

The motion passed by unanimous vote, and the Board re-entered executive session at 1:01 pm.

Worth moved and Dunklee seconded to exit executive session, and by unanimous vote the Board exited executive session at 1:08 pm.

AGENDA ITEM #7 – FINANCE COMMITTEE RECOMMENDATIONS

Bursell noted that the Finance Committee met on May 20, 2021. One of the agenda items was to discuss and recommend an amount of member capital to be retired in 2021.

Ward moved and Maroni seconded to approve a patronage capital retirement of \$1.6 million in 2021, consisting of \$1.1 million applied to 1997 patronage with the balance of \$500,000 applied to 2020 patronage.

The motion passed by unanimous vote.

AGENDA ITEM #8 -- BREAK

There was a break in the meeting at 1:10 pm, and the meeting resumed 1:22 pm.

AGENDA ITEM #9 – AMI AND OUTAGE MANAGEMENT PRESENTATION

Rossi noted that this presentation was prompted by Board questions about how VEC communicates with member meters using its AMI system. He began with the history of our system, starting in the 2000-2002 timeframe, with VEC's decision to implement a two-way communications system between the meter, through the substation, and back to the office. This eliminated the need to physically read member meters. Later there were enhancements to substation equipment and installation of backend systems to integrate the data with our Customer Information System and Outage Management Systems. He noted that VEC achieves meter reading accuracy at 99.95%.

He noted that future plans include upgrading meters for better functionality, including meter data analytics, improved outage identification, and additional interfaces for member outages information through SmartHub.

There were numerous questions from the Board throughout the presentation.

AGENDA ITEM #10 – BROADBAND DISCUSSION AND UPDATE

Towne explained that the goal of this discussion was to update the Board on the work that is currently underway in the broadband realm as a way to continue exploring what unique roles VEC can play.

She first reviewed the Board's agreed-upon goals, including:

- Accelerate and support broadband
- Define VEC's unique role
- Balance risk and align with VEC's other strategic goals
- Collaborate without redundancy
- Consider VEC's capacity to execute
- Look for smart opportunities

She then summarized our current activity in these areas including offering reductions in make-ready capital costs, ongoing conversations with Vermont providers, and monitoring state and federal funding opportunities. She provided detailed information as to the current plans of the various Community Union Districts (CUDs) and broadband service providers in VEC's service territory, noting that there is a lot of activity taking place. While most are still in planning phases, some were able to provide insightful feedback to VEC regarding ways we could help them in their future efforts.

Rossi summarized the VELCO Fiber Reliability Project which will construct fiber to connect larger distributed generation resources. This will create additional fiber for use by VELCO and the distribution utilities, and potentially for broadband providers in the future.

There were numerous questions from the Board throughout the presentations.

AGENDA ITEM #11 – MANAGERS' REPORTS

Rossi responded to several questions sent by Directors via email after his presentation at the May meeting about VEC's cyber-security program.

Towne provided an update to three projects that VEC submitted to Senator Leahy's office as potential "earmarks" for special funding,

There were additional questions about the details included in the managers' reports.

AGENDA ITEM #12 -- ANY OTHER BUSINESS

There was no other business.

AGENDA ITEM #13 -- ADJOURN

Lague moved and Ward seconded that the meeting be adjourned.

The motion was approved by unanimous vote.

The meeting adjourned at 4:09 pm.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President