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

APPROVED MINUTES

May 27, 2025

As required under the VEC Bylaws, notice of this meeting was sent to each director on May 20, 2025, 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), Charlie Van Winkle (Treasurer), Tom Bailey, Ken Hoeppner, George Lague, Bonnie Pratt, Mark Woodward, Jeffrey Wilson, and William Gilbert
Staff Present:	Rebecca Towne (CEO), Peter Rossi (Chief Operating Officer), Caroline Mashia (Chief Financial Officer), John Varney (Manager of Safety, Security, and Facilities), Andrea Cohen (Manager of Government Affairs and Member Relations), Cyril Brunner (Innovation and Technology Leader), Jeff Bickford (People and Culture Leader), and Thea Schwartz (Corporate Counsel). Brian Hall (Manager of Engineering), Paul Pikna (Senior System Engineer), and Michael Beaulieu (System Engineer) attended a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:11 pm.

AGENDA ITEM #2 – SAFETY MINUTE

Mark Woodward shared how it is important not to be distracted by screens when driving.

AGENDA ITEM #3 – REVIEW BOARD MEETING AND ANNUAL MEETING MINUTES

1. April Board Meeting Minutes
   Bonnie Pratt moved and George Lague seconded that the minutes of the Regular Board meeting held in April 2025 be approved. The minutes were approved by unanimous vote.

2. <u>Board Organizational Meeting Minutes</u>
   Mark Woodward moved and Carol Maroni seconded that the minutes of the Board Organizational meeting held in May 2025 be approved. The minutes were approved by unanimous vote.

3. <u>Annual Meeting Minutes</u>
   Jeffrey Wilson moved and George Lague seconded that the Board recommend to the membership approval of the minutes of the May 2025 Annual Meeting. The recommendation was approved by unanimous vote.

AGENDA ITEM #4 – BOARD COMMITTEE ASSIGNMENTS

President Goggin noted that Board Committee Assignments would be addressed at next month's Regular Board meeting.

AGENDA ITEM #5 – FINANCE COMMITTEE RECOMMENDATIONS

Charlie Van Winkle moved that all six recommendations made at the May 27, 2025 Finance Committee meeting be approved. Jeffrey Wilson seconded the motion. The Board unanimously approved all six recommendations. Note the first recommendation is with regard to Board Policy 15 entitled "Capital Credits." "Capital Credits" has the same meaning as "Member Patronage Capital." The approved recommendations are:

1. <u>Capital Credits Policy</u>
   Approval of changes presented to this policy to accommodate special margin allocations and align the capital retirement cycle with long-term debt financing.

2. <u>Member Patronage Capital Allocation</u>
   Approval to allocate patronage capital for members based on the value of their contribution to VEC's gross margin.

3. <u>Member Patronage Capital Retirement</u>
   Approval of the 2025 Member Capital Retirement up to $1,079,000 applied 100% to the 1997 Member Patronage Capital Allocation.

4. <u>TRANSCO Stock Investments</u>
   Approval for the purchase of TRANSCO Stock shares in 2025 including any available over subscription shares not to exceed $2.8 million in total.

5. <u>2025 Long-Term Bond</u>
   Approval of the 2025 Bond Resolution for issuance of a $60 million bond to cover VEC's financing needs through 2028.

6. Auditor Selection
   Approval of a 3-year contract to KBS for continued financial audit and tax services for fiscal years December 31, 2025 - December 31, 2027.

AGENDA ITEM #6 – INTEGRATED RESOURCE PLAN

Innovation and Technology Leader Cyril Brunner described the Integrated Resource Plan (IRP) development process and explained the requirements that must be included in the plan. He explained that the plan must be done every three years, that VEC staff work closely with the Department of Public Service throughout the development process, and that the plan must be submitted to the Vermont Public Utility Commission. He reviewed the information in the plan including estimated VEC load projections over the next 20 years based on adoption rates of heat pumps, electric vehicles, net metering and energy efficiency, and how VEC intends to meet the load requirements in the next few years. He and other team members also explained the capital project selection process for VEC infrastructure, and how the information is tied to VEC's strategic plan. Members of the Senior Leadership Team and VEC employees Brian Hall, Paul Pikna, and Mike Beaulieu were present to answer questions from the Board.

Hall, Pikna, and Beaulieu left the meeting at the end of the presentation.

AGENDA ITEM #7 – BREAK AND BOARD PHOTO

President Goggin called for a break at 1:50 pm. Photos of the Board as a group were taken. The meeting resumed at 2:15 pm.

AGENDA ITEM #8 – ENTERPRISE RISK MANAGEMENT

Corporate Counsel Thea Schwartz made a presentation on Enterprise Risk Management or "ERM." She explained that ERM is "a methodology and ongoing process to strategically assess and mitigate risks that pose significant organization-wide exposure" and walked through the annual cycle of risk identification, assessment, treatment, monitoring, and reporting. Schwartz then described each of the top risks that the Senior Leadership Team identified for 2025, the direction that each risk is trending (decreasing, steady, increasing, steeply increasing), and mitigation that VEC has taken and plans to take. The 2025 top risks included:

- Safety – Catastrophic Injury
- Reliability – Extreme Storms
- Reliability – Serving Load with Power Supply
- Revenue Risks
- Increasing Costs

- Load Growth and Unpredictability
- Capital Demands – Prioritizing Investments
- Power Supply
- Talent Management
- Cyber Security
- Political and Regulatory Impacts

Schwartz asked that the Board keep in mind ERM and these top risks during its upcoming strategic planning processes. The Board gave feedback and asked questions to which members of the Senior Leadership Team and Schwartz responded.

AGENDA ITEM #9 – MANAGERS' REPORTS

CEO Rebecca Towne presented the CEO report. Members of the Senior Leadership Team were present to answer questions from Directors about details in the written managers' reports.

AGENDA ITEM #10 ANY OTHER BUSINESS

CEO Towne informed the Board of the general schedule of the upcoming Board strategic planning retreat on June 3 and 4, 2025 and distributed paper copies of the retreat materials.

AGENDA ITEM #11– ADJOURN

Bonnie Pratt moved and Tom Bailey seconded to adjourn the meeting. The Board voted unanimously to adjourn the meeting. The meeting adjourned at 3:42 pm.

Respectfully submitted:

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Jody Dunklee, Secretary Rich Goggin, President