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

APPROVED MINUTES

July 28, 2026
Highgate Manor

As required under the VEC Bylaws, notice of this meeting was sent to each director on July 21 2026, 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), George Lague (Second Vice President), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Tom Bailey, Ken Hoeppner, Mark Woodward, William Gilbert, and Brian Cook.
Staff Present:	Rebecca Towne (CEO), Peter Rossi (Chief Operating Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), Lisa Lubas (People and Culture Leader), Belinda Gunnell (Strategic Technology and Cybersecurity Leader), Thea Schwartz (Corporate Counsel), Dan Potter (Senior Power Supply Analyst), Katie Audette (Transmission and Rate Specialist); Brian Hall (Manager of Engineering), Kris Smith (Manager of Operations Engineering), Paul Pikna (Senior System Engineer), and Megan (Control Center Supervisor).
Guests Present:	Several of VELCO's staff joined the meeting shortly after it started: Betsy Bloomer (Vice President, Corporate Affairs and Strategy); Joshua Burroughs (Dynamic Devices Lead); Brian Connaughton (Vice President of Transmission Services); Michele Nelson (Chief Financial Officer); Dan Poulin (Director of Transmission); Mark Sciarrotta (Vice President, General Counsel and Chief Compliance Officer); and Allyson Brown (Right-of-Way Manager and Real Estate Contact). Louis Porter, General Manager of Washington Electric Cooperative, joined the meeting at the break.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 9:05 am.

AGENDA ITEM #2 – MEMBER INPUT

There was no member input.

AGENDA ITEM #3 – SAFETY DRILL

Bill Gilbert advised exercising care with campfires, to make sure the fire is completely extinguished before leaving it.

AGENDA ITEM #4 – REVIEW JUNE 2026 REGULAR BOARD MEETING MINUTES

George Lague moved and Jeff Wilson seconded that the June 2026 Regular Board meeting minutes be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – REVIEW JUNE 2026 GOVERNANCE COMMITTEE MEETING MINUTES

Bill Gilbert moved and Ken Hoeppner seconded that the June 2026 Finance Committee meeting minutes be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #6 – VEC CURRENT RATE STRUCTURE

CFO Caroline Mashia began by giving an update on the progress of the Cost of Service study and the timeline for its completion and resulting follow-up work. She then introduced Transmission and Rate Specialist Katie Audette. Audette explained how members' rates are set, noting that VEC, as a member-owned, not-for-profit cooperative, sets rates to cover the true cost of delivering safe, reliable power. Audette explained that a member's monthly bill has two main parts, a customer charge and a usage charge. She described the different service classifications, starting with Rate 1 Residential and noted that 33,379 members have this rate. She explained that Rate 1 uses an inclining block design, with the first 100 kWh Block used by a member billed at a lower baseline rate, and everything above it billed at the standard rate. She explained the optional residential rate, Time-of-Use, which has no members, and Time-of-Day which has 40 members. She also explained Rate 2 Business & Commercial, and Rate 3 Industrial. She described additional offerings of rates and services such as street lighting, SC5 Dynamic Pricing, and Service Charges. She concluded with an explanation of VEC's current bill incentives.

Audette, CFO Mashia, COO Peter Rossi, CEO Rebecca Towne, and Senior Power Supply Analyst Dan Potter helped to answer Directors' questions.

AGENDA ITEM #7 – MANAGERS' REPORTS

President Goggin commented that he liked the new format of the Managers Reports and it was agreed to further solicit feedback next month from other directors. CEO Towne presented the CEO report. Members of the Senior Leadership Team and Corporate Counsel were present to answer questions from Directors about details in the written managers' reports.

AGENDA ITEM #8 – BREAK

President Goggin called for a break at 10:16 am. Meeting resumed at 10:30 am.

AGENDA ITEM #9 – TRANSMISSION PLANNING: FRANKLIN COUNTY LINE UPGRADE, FERC ROE, HIGHGATE CONVERTER FUTURE

VELCO's Vice President, General Counsel, and Chief Compliance Officer Mark Sciarrotta and CFO Michele Nelson presented on the Federal Energy Regulatory Commission (FERC) Return of Equity (ROE) ruling resulting in significant financial obligations to VEC and other Vermont utilities. Sciarrotta explained FERC's ruling, the legal process challenging the ruling, and the possible outcomes of a review of the ruling. Nelson explained the financial implications and potential steps that VELCO and VEC could take to address the financial strain resulting from the ruling.

VELCO's Director of Transmission Dan Poulin and its Right-Of-Way Specialist and Real Estate Contact Allyson Brown presented on the Franklin County Line Upgrade project. They explained how the project originated as a typical asset project focused on replacing poles and evolved into the construction of a new line. They showed photos of construction of the line and photos of the old and new lines. They explained how VELCO provided education to the public about the project, resulting in no formal pushback throughout the entire multi-year project. They described how VELCO made subject matter experts and 3D modeling available to the public so that the public could ask questions and see the project's impact on their property. They also addressed how they amended and obtained easements for the project.

VELCO's Vice President, Corporate Affairs and Strategy Betsy Bloomer and its Vice President of Transmission Services Brian Connaughton presented on the proposed Highgate Converter project. They described the need for its upgrade or replacement, the planning process underway, and the potential for a range of upgrade options with corresponding costs and benefits.

The Directors asked questions after each of the three above-presentations and VELCO and VEC staff responded.

AGENDA ITEM #10 ANY OTHER BUSINESS

There was no other business.

AGENDA ITEM #11– ADJOURN

Bill Gilbert moved and George Lague seconded to adjourn the meeting. The Board voted unanimously to adjourn the meeting. The meeting adjourned at 12:15 pm.

AGENDA ITEM #12 – LUNCH

AGENDA ITEM #13 – HIGHGATE CONVERTER TOUR

Respectfully submitted:

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Jody Dunklee, Secretary	Rich Goggin, President