



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

APPROVED MINUTES

August 25, 2026

As required under the VEC Bylaws, notice of this meeting was sent to each director on August 17, 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 Hoepfner, Mark Woodward, William Gilbert, Jeff Wilson, Bonnie Pratt, 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), Katie Audette (Transmission and Rate Specialist), and Dave Lahar (Key Accounts Manager).

Guests Present: Craig Woycheese (Toth and Associates, Inc. Manager of Utility Rates and Financial Analysis) and Lali Handwerker (Toth and Associates, Inc. Senior Rate Analyst) appeared virtually.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:08 pm.

AGENDA ITEM #2 – MEMBER INPUT

There was no member input.

AGENDA ITEM #3 – SAFETY DRILL

Tom Bailey advised on lawn mower safety. He said it is important to use safety glasses, hearing protection, and sturdy footwear; to read the instructions; to not disable any safety devices; and to wait for the mower to cool before refilling it with gas. Directors added that for electric mowers, it is important to remove the battery before cleaning them and to charge them safely.

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

George Lague moved and Ken Hoepfner seconded that the July 2026 Regular Board meeting minutes be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – COST OF SERVICE STUDY RESULTS

CFO Caroline Mashia began by describing the agenda for the September Rates Workshop. She then introduced Toth and Associates, Inc.'s Manager of Utility Rates and Financial Analysis Craig Woycheese and Senior Rate Analyst Lali Handwerker. Woycheese and Handwerker presented the results of the Electric Cost of Service Study performed by Toth for VEC. They explained that the Cost of Service Study takes VEC's total annual cost of providing electric service and traces every dollar back to the rate classes and individual rates that causes each dollar spent. They described the three steps that make up the rate design process: (1) Revenue Requirement which addresses how much revenues VEC needs in total, 2) Cost Allocation which addresses the classes and rates that cause cost, and (3) Rate Design which addresses how charges should be structured, noting, as CFO Mashia had, that future ideas and options for Rate Design would be addressed at the September Rates Workshop. Woycheese emphasized that the Cost of Service Study in itself is not intended to set rates or to predict costs going forward and is instead intended to show what VEC's costs are. He noted that power supply costs are the largest portion of VEC's operating expenses.

CFO Mashia, Woycheese, and Handwerker provided additional information when Directors requested it and answered their questions.

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AGENDA ITEM #6 – BREAK

President Goggin called for a break at 1:56 pm. Meeting resumed at 2:16 pm.

AGENDA ITEM #7 – REVIEW BOARD BUDGET

The Board reviewed the different items that make up its budget. President Goggin asked Directors to indicate whether they planned to attend the NEAEC conference in October.

AGENDA ITEM #8 – 2026 ANNUAL PERFORMANCE METRICS UPDATE

CEO Towne provided the mid-year annual performance metrics update. She explained that 2026 has been the first year of the new strategic plan with thirteen high-level goals. She walked

through the metrics and described whether threshold, target, or stretch was predicted to be met at year end. She highlighted several items that she thought are progressing well this year such as Safety and Facilities Manager Zach Traficanti's use of his own expertise to work to constantly improve VEC's facilities and safety program, VEC's effort to create a culture of learning regarding the use of AI, and VEC's participation in storm and cybersecurity exercises.

CEO Towne gave the Board the opportunity to provide feedback and ask questions.

AGENDA ITEM #9 – REVIEW STRATEGIC PLAN PROCESS

CEO Towne reviewed the strategic plan and the process that was used to create it with Directors. She provided the Board with the timeline for the process of setting 2027 performance metrics, aligned with the strategic plan:

August:	5-year strategic plan review (or update at 3-year mark) and provide input on priorities
Aug-Sept:	VEC Staff develop draft Annual Performance Metrics & Implementation Initiatives
October:	Board reviews DRAFT 2027 Metrics
November:	Board Additional Review & Approve (if not approved in October)
December:	VEC finalizes initiatives and gets rolling in January.

The Board receives a mid-year update on Annual Performance Plan in its July or August Regular Board meeting and final results presentation at its January Regular Board meeting.

CEO Towne gave Directors an opportunity to provide feedback and ask questions.

AGENDA ITEM #10 – MANAGEMENT REPORTS FEEDBACK

The Board discussed the new format of the Managers Reports. Several Directors said that they like the new format and would also welcome photos to be included in the reports.

AGENDA ITEM #11 – MANAGEMENT REPORTS

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 #12 – ANY OTHER BUSINESS

Director Bonnie Pratt asked the Board consider moving the November Regular Board Meeting earlier as it is scheduled for the week of Thanksgiving. The Board decided to continue to discuss this request at its next Regular Board meeting.

AGENDA ITEM #13 – ADJOURN

Ken Hoepner moved and Bill Gilbert seconded to adjourn the meeting. The Board voted unanimously to adjourn the meeting. The meeting adjourned at 3:58 pm.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President