

VERMONT ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 29, 2020

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on September 22, 2020 or by electronic means for those Directors requesting such delivery.

CALL TO ORDER – AGENDA ITEM #1

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

SAFETY MINUTE – AGENDA ITEM #2:

Dunklee provided a reminder to those who have a wood stove to get their chimneys cleaned to ensure that it operates safely over the winter.

APPROVE BOARD MEETING MINUTES -- AGENDA ITEM #3

President Goggin asked if there were any corrections to the minutes of the special meeting of the Board of Directors held on September 11, 2020.

Maroni moved and Hoeppner seconded:

That the minutes of the special meeting of the Board of Directors held on September 11, 2020 be approved.

The minutes were approved by unanimous vote.

President Goggin asked if there were any corrections to the minutes of the regular meeting of the Board of Directors held on August 25, 2020.

Woodward moved and Hoeppner seconded:

That the minutes of the regular meeting of the Board of Directors held on August 25, 2020 be approved.

The minutes were approved by unanimous vote.

BARTON UPDATE -- AGENDA ITEM #4

Lague moved and VanWinkle seconded to go into executive session to discuss a potential confidential business arrangement. The Board entered into executive session at 12:05.

By unanimous vote, the Board exited executive session at 12:51.

There was a break in the meeting at 12:52. The meeting resumed at 1:10.

BROADBAND NEXT STEPS -- AGENDA ITEM #5

Towne provided an overview of the discussions around broadband that the Board has had to date, including a summary of why supporting broadband fits within VEC's existing strategic goals and objectives (supporting community, enabling behind the meter services, maintaining rural vitality, and promoting equity). She also emphasized that this goal must be balanced with other financial and strategic goals as well as VEC's capacity to execute on key initiatives.

There was an extensive discussion about where broadband fits within VEC's goals with directors offering a variety of opinions.

A director requested to have a deeper dive into the financial results of the broadband feasibility study performed by NRTC. Goggin asked for a straw poll as to whether other Board members would find such an effort worthwhile. Discussion ensued.

Maroni moved to invite NRTC back to continue a deeper dive into the financial results of the feasibility study. Worth seconded. There were six votes in favor and six votes against the motion. The motion did not pass. Goggin indicated that he would table further discussion of this issue for now. The final NRTC study will be shared with the Board in the next couple of weeks.

Towne continued her presentation expressing how VEC can best support broadband deployment, including significant investments in make-ready and continuing to pursue pole acquisitions from joint owners to remove impediments to make-ready completion.

She also described several partnership opportunities that VEC can continue to explore with Communication Union Districts and other incumbent broadband providers. She noted that several directors had asked for more information about what other coops are doing in the broadband space and sought direction as to what would be most helpful. A director suggested asking the NRECA to share information that it may have regarding broadband and another suggestion was to reach out to NEAEC.

Finally, Towne presented an alternative plan to create a VEC-owned broadband business either with a partner or on its own. Towne conveyed that VEC management does not support moving in this direction given there is no feasible model and many unknowns as to what other providers will be offering for broadband service in the near future. She also recommended against spending time and money creating a business plan, while VEC remains in an exploratory mode and has not settled on a clear path.

There were further questions and discussion.

COVID-19 UPDATE -- AGENDA ITEM #6

Rossi began by reporting on changes that have been implemented in Operations and Technology for office workers and those in the field. He also noted that we have received a significant increase in new service applications during the summer, on top of the additional make-ready, capital work, and O&M.

Brown reported on some of the challenges employees are facing as a result of the increased workload combined with concerns related to working during a pandemic. She enumerated the steps that VEC has taken to support employees as they settle into a new way of working.

Cohen summarized the impacts of the pandemic on the member services department, with work refocused to address members' current concerns. She summarized the state of arrearages resulting from the disconnection moratorium. She noted that some of these will be paid with money available from the state to assist utility customers. She noted several initiatives that VEC is undertaking to promote member engagement. Finally, she shared information about the status of commercial and industrial customers and the availability of new grant money from the state to support them.

Bursell discussed the financial impact of customer arrearages compared to a year ago. He noted that state assistance is helping and commercial sales and revenues are down but residential use is up. He shared that the Paycheck Protection Program's process to convert the loan to a grant has

been slowed due to lack of guidance. He remains hopeful that we will successfully navigate this process, which will be a real benefit to our members.

There were numerous questions throughout the presentation.

There was a break in the meeting at 3:21, and the meeting resumed at 3:32.

MANAGERS' REPORTS -- AGENDA ITEM #7

Towne noted that she is looking for input from the Board on NEAEC on-line options for training. Directors should send suggestions to Kinney.

Brown noted that since she prepared her update, the Public Utility Commission has approved VEC's most recent bond financing.

Bursell noted some tariff changes proposed by ISO- NE that have the potential to affect VEC's transmission costs. He fielded a number of questions from directors.

Cohen updated the Board regarding the Global Warming Solutions Act and its potential impact on VEC.

ANY OTHER BUSINESS – AGENDA ITEM #8

There was no other business.

ADJOURN -- AGENDA ITEM #9

Lague moved and Hoeppner seconded that the meeting be adjourned.

The motion carried unanimously.

The meeting adjourned at 3:53.

Respectfully submitted:

Mark Woodward, Secretary

Rich Goggin, President