

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

January 28, 2020

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on January 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 12:02) p.m. in the Robert P. Northrop Boardroom at VEC offices in Johnson, Vermont. Present were Directors Ken Hoepfner, Carol Maroni (Second Vice President), Mark Woodward (Secretary), George Lague, Charlie Van Winkle, Don Worth, Paul Lambert (First Vice President), John Ward (Treasurer), and Tom Bailey. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Financial Officer Mike Bursell, Chief Operations Officer Peter Rossi, Safety & Security Manager John Varney, and Manager of Government Affairs and Member Relations Andrea Cohen.

MEMBER INPUT – AGENDA ITEM #2

No members were present.

SAFETY MINUTE – AGENDA ITEM #3

Rossi shared a recent incident where he was rushing to finish snow-blowing his driveway at the end of the day and had some trouble with the machine stalling. While he scraped out the snow, the tension on the belt let go, and he ended up with a serious injury to his finger that required a trip to the emergency room. Luckily he was wearing good gloves, or the injury would have been much worse. Take your time and respect these machines.

Hoepfner volunteered to do next month's safety minute.

APPROVE 12.17.19 REGULAR BOARD MEETING MINUTES -- AGENDA ITEM #4

President Goggin asked if there were any additions or corrections to the minutes of the regular monthly Board of Directors meeting held on December 18, 2019.

Lague moved and Ward seconded:

That the minutes of the regular monthly Board of Directors meeting held on December 18, 2019 be approved.

The minutes were approved by unanimous vote.

#### CEO REPORT FOR 2019 RESULTS -- AGENDA ITEM #5

Towne gave an overview of the execution of VEC's annual strategic initiatives for 2019. Overall, she noted that 2019 was a very successful year for VEC and it was hard to summarize all the good things that are accomplished in a year at the Co-op. She focused on the 24 Key Performance Indicators across the five Key Focus areas that were included in the 2019 strategic plan. The Company met all but three of the performance measures. There were numerous questions and comments throughout the presentation.

#### CULTURE SURVEY -- AGENDA ITEM #6

Brown presented the results from the Denison Culture Survey which was an employee survey conducted at the end of 2019. This is a survey that VEC has done every other year since 2015, and she compared the results over the years. She also explained the Denison Model which measures a company's culture across 12 different indexes. In reviewing a comparison of results for senior leaders, middle managers and employees, Towne noted that it is positive that the first two groups are well-aligned and that the opportunity and challenge is to bring all employees into alignment. Brown explained that Towne would explore what the results mean through a series of employee meetings and then will develop action plans to address the feedback. There were questions and discussion throughout the presentation.

#### CEO ASSESSMENT -- AGENDA ITEM #7

Brown noted that we would kick off the CEO assessment via an on-line tool that will be launched on January 29. Results will be compiled and discussed at the February Board meeting.

There was a break in the meeting at 1:32

The meeting resumed at 1:45.

### BROADBAND GRANT STATUS -- AGENDA ITEM #8

Towne summarized the Request for Proposal that VEC has issued in anticipation of applying for a broadband grant becoming available from the state in the coming months. She noted that the report issued by the Department of Public Service conveyed concern over the risk profile of electric utilities moving into the broadband business. While the DPS did not support using electric ratepayer dollars to fund broadband roll outs, they left the door open to consider other ways that utilities can support broadband and that is what the VEC RFP focused on. There was an extensive discussion of what VEC can and should do in the broadband arena.

Towne explained that the RFP focused on three scenarios: middle-mile, partnership model, and end-use model targeted to dense areas. There were further questions and discussion.

Responses to the RFP will be due mid-February. We will use the responses to develop an application for a grant to be submitted in March.

### BOARD ASSESSMENT – AGENDA ITEM #9

Goggin noted that the packet included the results of the on-line Board self-assessment. There were a number of questions about the survey itself and then discussion of the results including clarifying what directors meant when they answered “neither agree nor disagree” to a given question. Goggin noted that the suggestions for areas of focus in the coming year were grouped by topics and mapped quite well with topics covered by our five-year strategic plan.

### MANAGERS’ REPORTS – AGENDA ITEM #10

Towne summarized a grant opportunity VEC is exploring that would fund studying using battery storage as part of the solution to the grid congestion we are experiencing in the northern part of the state.

There were a number of questions and responses as to some of the details in the other managers’ reports.

### COMMITTEE REPORTS – AGENDA ITEM #11

Ward noted that the minutes from the October 29, 2019 Finance Committee meeting were included in the packet. Ward moved and Worth seconded to approve the committee minutes.

The motion was approved by unanimous vote.

ANY OTHER BUSINESS – AGENDA ITEM #12

Towne was asked to update the Board as to the status of our service agreement with the Village of Barton. She noted that VEC continues to manage their day-to-day electric operations while they evaluate their path forward an electric utility. VPPSA is also evaluating their role in supporting Barton.

Towne also reported on the status of lighting required at the KCW project. Green Mountain Power has informed the Public Utility Commission that they are struggling with their vendor to find a lighting solution that will meet the requirements of the project’s certificate of public good. They are back to the drawing board and will continue to look for alternatives.

ADJOURN -- AGENDA ITEM #13

Ward moved and Worth seconded that the meeting be adjourned.

The motion carried unanimously.

The meeting adjourned at 3:50.

Respectfully submitted:

DocuSigned by:  
  
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Mark Woodward, Secretary

DocuSigned by:  
  
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Rich Goggin, President