



VERMONT ELECTRIC COOPERATIVE, INC.  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
APPROVED MINUTES  
October 25, 2022

As required under the VEC Bylaws, notice of this meeting was sent to each director on October 19, 2022, either via US Mail or by electronic means for those directors requesting such delivery.

Present were directors Rich Goggin (President), Paul Lambert (First Vice President), Carol Maroni (Second Vice President), Jody Dunklee (Secretary), John Ward (Treasurer), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, Chief Operations Officer Peter Rossi, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, Chief Financial Officer Caroline Mashia, Innovation and Technology Leader Cyril Brunner, People and Culture Leader Jeff Bickford, General Counsel Vickie Brown, and Project Planner Laura Kinney.

**AGENDA ITEM #1 -- CALL TO ORDER**

President Goggin called the meeting to order at 12:15 p.m.

**AGENDA ITEM #2 -- SAFETY MINUTE**

Hoepfner noted that October and November bring the commencement of deer season. If you walk in the woods, wear orange color to stand out to the hunters.

**AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES**

Worth moved and Maroni seconded that the minutes of the regular monthly Board of Directors meeting held September 27, 2022 be approved as presented.

The minutes were approved by unanimous vote.

**AGENDA ITEM #4 -- FINANCE COMMITTEE REPORT**

Ward noted that the Finance Committee met in the morning and discussed the 2023 budget and rate increase recommendation at length.

Ward moved and Bailey seconded to adopt the following resolution:

#### RESOLUTION OF THE BOARD OF DIRECTORS

WHEREAS, the elements of a proposed 2023 budget and rate increase were explained and discussed at a meeting of the VEC Finance Committee held on October 25, 2022 and at a meeting of the VEC Board of Directors held on the same day.

Be it resolved:

That Vermont Electric Cooperative Inc. (VEC) is authorized to implement a rate increase not to exceed 9.95%, to be effective on January 1, 2023, and

That the Board of Directors approves the 2023 operating budget, subject to final revisions deemed necessary by VEC's CFO during testimony preparation, and

That VEC will report to the Board at the regular Board meeting held in November 2022 as to the final rate increase as of the filing date of November 15, 2022.

#### **AGENDA ITEM #5 – RATE CASE**

Brown provided an overview of the rate case process at the Public Utility Commission (PUC). Based on conversations with the Department of Public Service, the rate request is likely subject to a formal review process where the Department will review the company's filing, probe the assumptions and supporting information, and then take a formal position. There will also be a public hearing via video-stream and an opportunity for public comments. The process will likely wrap up by July 2023 . Rates will go into effect on January 1, 2023, subject to refund based on the results of the PUC review.

Cohen explained VEC's public outreach plan, which has already begun with personal and email contact to large commercial and industrial members. The November issue of Co-op Life will feature an article explaining the rate case drivers.

There were comments and questions throughout the presentation.

## **AGENDA ITEM #6 – STRATEGIC PLANNING – VISION AND NEXT STEPS**

Towne presented a further revision to the Board’s Long-Range Strategic Plan, focused on the work done with CFC at the July Board offsite and key ideas from the Board’s work over the past several years in the context of a five-year strategic plan.

VEC’s high level goals – which drive the staff’s annual planning – are grouped in five areas, as follows:

- Maintain Financial Balance
- Engage Members
- Pursue Operations Reliability
- Orchestrate Distributed Renewable Energy
- Lead With People

The plan also incorporates seven Foundational Strategies:

- Pursue Diversity, Equity and Inclusion
- Lead on Sustainability
- Robust Cybersecurity Controls and Practices
- Develop Strategic Partnerships
- Leverage Data
- Pursue Grant Opportunities
- Experiment Through Pilots

Towne noted that the review of the VEC vision statement is still underway, with ideas to be presented at a future Board meeting.

Woodward moved and Van Winkle seconded to approve the Strategic Plan as presented at the meeting.

After discussion, the motion passed by unanimous vote.

## **AGENDA ITEM #7 – GOVERNANCE COMMITTEE REPORT**

Hoepfner noted that there were two sets of minutes to be approved. Maroni moved and Lague seconded to approve the April 12, 2022 minutes. It was noted that the minutes contained several errors. Brown will review and bring the minutes back for Board approval. The motion was withdrawn.

Maroni moved and Woodward seconded to approve the September 22, 2022 committee meeting minutes.

The motion passed by unanimous vote.

Hoepfner noted that there were a number of recommendations included in the meeting minutes. Ward moved and Lague seconded to approve all the recommendations. These included:

- To approve Policy BOD.7 - Delegation of Authority without change
- To modify Policy BOD.9 - Member Requests for Cooperative Corporate Information to remove a time requirement to respond to member requests, and leave it at “timely”
- To approve Policy BOD.10 - Member Information About and Attendance at Board Meetings without change
- To make two changes to Policy BOD.11 - Board Committees
  - To add “advise on planning for annual meeting” to the functions of the Communications Committee set forth in Appendix A and
  - To specify that committee meeting minutes should be presented for Board approval within two months of the committee meeting
- To approve two changes to Management Policy – Red Flags, recommended by management to conform the policy to current practices
- To change Policy B.5 - Compensation to Directors to increase the maximum daily Board stipend from \$575 to \$675

The motion passed by unanimous vote.

Hoepfner noted that he planned the next Governance Committee meeting for early November but conflicts have arisen as to the date and time. There was discussion of the timing for Board and Committee meetings generally. The consensus was to schedule committee meetings in the morning generally and to schedule the next Governance Committee meeting in January.

There was a fifteen-minute break in the meeting.

#### **AGENDA ITEM #8 –PRESENTATION FROM NEAEC MEETING**

Lambert shared a presentation that he had previously given at the summer meeting of the Northeast Association of Electric Cooperatives (NEAEC) on the topic of Beneficial Electrification.

He noted that building a successful energy transformation program requires focus simultaneously in the following areas:

- Products and Markets – offer a variety of products in different markets
- Rebate Strategies – adopt predictable and consistent strategies that make it easy for the customer to engage

- Supply Chain – engage customer and suppliers, making qualified products easily available.
- Marketing and education – meet people where they are in the decision process
- Customer Journey – use different tactics for customers who are at different places in embracing beneficial electrification
- Partnerships – these come in many forms and are important to this process

There was a discussion of the financial barriers to enter into some of these programs, and Lambert noted that there are low interest loans available to help with that impact.

#### **AGENDA ITEM #9 –MANAGERS REPORTS**

There was a question about a recent presentation by Towne at Beta Technologies, an emerging Vermont company manufacturing electric aircraft.

There was a discussion about cybersecurity and the result of a recent penetration test. Brunner noted that VEC performed well. He will provide a more detailed summary at a future meeting.

There were questions and comments as to other details in the managers' reports.

#### **AGENDA ITEM #10 –OTHER BUSINESS**

Mark moved and Pratt seconded the following resolution.

Be it resolved:

That the Vermont Electric Cooperative Board of Directors hereby extends its gratitude to Mary Sylvester for fifty years of dedicated service to VEC. During her tenure at VEC, Mary served in a number of roles in both the Member Services and Finance Departments. Most recently she has served as Accounts Payable and Receivable Accountant and before that she served for many years as VEC's Work Order Accountant. In each role, Mary was motivated by her dedication and sense of responsibility to provide excellent service to VEC members.

Mary's strong work ethic and concern for VEC members helped make VEC the successful cooperative that we are today. We thank Mary for all she has done for VEC for the past fifty years and wish her many more years of health and happiness.

#### **AGENDA ITEM #11 -- ADJOURN**

Lague moved and Ward seconded to adjourn. By unanimous vote, the meeting adjourned at 3:15 p.m.

Respectfully submitted:

---

Jody Dunklee, Secretary

---

Rich Goggin, President