



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

UNAPPROVED MINUTES

November 29, 2022

As required under the VEC Bylaws, notice of this meeting was sent to each director on November 22, 2022, 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), 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.

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operations Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), John Varney (Manager of Safety, Security, and Facilities), Cyril Brunner (Innovation and Technology Leader), Jeff Bickford (People and Culture Leader), Laura Kinney (Project Planner), and Vickie Brown (General Counsel)

Invited Guests: Steve Knowlton and Louis Porter, Washington Electric Cooperative

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:00 noon. He introduced guests from Washington Electric Cooperative: Board Chair Steve Knowlton and General Manager Lewis Porter,.

AGENDA ITEM #2 -- SAFETY MINUTE

Goggin shared that he was one of the fire fighters responding to a recent house fire in Grand Isle. He noted that the occupants were able to escape because their smoke detectors alerted

them. He advised others to schedule regular checks to be sure their smoke detectors are operational.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Lague moved and Woodward seconded that the minutes of the regular monthly Board of Directors meeting held October 25, 2022 be approved as presented.

The minutes were approved by unanimous vote.

AGENDA ITEM #4 -- APPROVE BOARD MEETING MINUTES

Hoepfner moved and Pratt seconded that the minutes of the April 14, 2022 Governance Committee meeting be approved as presented

The minutes were approved by unanimous vote.

AGENDA ITEM #5 – WASHINGTON ELECTRIC COOP PRESENTATION

Porter and Knowles introduced themselves to the Board and provided an overview of their backgrounds prior to joining WEC. Knowles expressed their Board's desire to continue to hold joint meetings with the VEC board on a periodic basis, in part to pursue areas where there may be opportunities to collaborate.

Porter described some challenges that WEC is addressing. The first is net metering, which is driving upward rate pressure and beginning to cause grid concerns in the form of voltage variability. The second is the increased expectations to provide more and additional service offerings and to deliver a higher degree of reliability. There was a lengthy discussion about net metering, with WEC noting that it has recently started a dialog with members about evolving net-metering into a more equitable and sustainable resource. Porter expressed his appreciation for the support that VEC has provided to WEC and to him personally.

There were a number of questions from Board members about various issues including the status of their generation at the Coventry landfill, their efforts to increase their customer service charge, the impacts of net metering on their system, and the challenges of creating a low-income rate.

Goggin thanked Porter and Knowles for sharing their concerns.

AGENDA ITEM #6 –2023 CAPITAL BUDGET

Brunner led a discussion of VEC’s capital budget proposal for 2023. He started with an overview of the completed and ongoing 2022 projects. Then he described the \$11.2 million in capital projects planned for 2023, broken down into the following general areas:

- Transmission, distribution, substations -- \$7.77 million
- Make-ready -- \$875,000
- Fleet (including new electric trucks and hybrid buckets) -- \$1.28 million
- Information Technology (IT) -- \$340,000
- Metering and member services --\$245,000
- Energy Transformation and Innovation -- \$520,000
- Facilities -- \$160,000

There were numerous questions from directors throughout the presentation.

Bailey moved and Lague seconded to approve the \$11.2 million capital budget plan for 2023, as presented at the meeting.

The motion passed by unanimous vote.

AGENDA ITEM #7 – REVIEW 2023 ANNUAL PERFORMANCE PLAN METRICS

Towne presented the proposed performance metrics for the 2023 work plan. These were all developed to implement the long-term goals that the Board approved as part of its strategic planning process. Once the Board approves these metrics, staff will then develop action plans to meet the metrics.

Towne proposed a total of 26 metrics to implement 21 goals in the following subject areas:

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

There were questions and comments from the Board throughout the presentation.

Maroni moved and Dunklee seconded to approve the performance metrics included in the presentation.

The motion passed by unanimous vote.

AGENDA ITEM #8 – BREAK

There was a ten-minute break in the meeting.

AGENDA ITEM #9 – VEC VISION

Towne shared ideas that VEC employees had developed based on concepts generated by the Board from its strategic planning offsite to revise the VEC vision statement.

There was a discussion of how best to further engage the staff to provide input, recognizing that while this is ultimately the Board's decision, it is important that staff has input so they embrace the vision.

The consensus was that Towne would prepare a survey for the Board to rank the ideas generated and then share those results at the December Board meeting. Towne will then share the Board's preferences with the staff for feedback for the Board's further consideration.

AGENDA ITEM #10 – POWER SUPPLY & OPERATIONS COMMITTEE REPORT

Lague provided a brief overview of the discussion of the "block load" concept at the Power Supply & Operations Committee meeting held on November 28, 2022. There were a couple of questions from the Board.

AGENDA ITEM #11 – 2023 BOARD CALENDAR

Goggin noted that a draft calendar was prepared for the 2023 Board and Committee meetings. Also included was a list of potential topics to include on meeting agendas as appropriate throughout the year.

There were questions and comments on some of the details proposed in the calendar. A formal check-in of the 2023 performance metrics will be in August, and quarterly score cards will be included in the CEO's report.

AGENDA ITEM #12 – MANAGERS' REPORTS

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

AGENDA ITEM #13 –OTHER BUSINESS

There was a brief discussion about access to the VEC office for Board members during meeting days.

AGENDA ITEM #14 -- ADJOURN

Woodward moved and Lague seconded to adjourn. By unanimous vote, the meeting adjourned at 4:00 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President