



VERMONT ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
APPROVED MINUTES
November 30, 2021

As required under the VEC Bylaws, notice of this meeting was sent to each director on November 22, 2021 either via US Mail or by electronic means for those directors requesting such delivery.

AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:02 pm via videoconference. Present were directors Paul Lambert (First Vice President), Carol Maroni (Second Vice President), John Ward (Treasurer), Jody Dunklee (Secretary), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, 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 Michael Bursell, Project Planner Laura Kinney, and Cyril Brunner, Manager of Engineering.

AGENDA ITEM #2 -- SAFETY MINUTE

Hoepfner's safety minute emphasized the importance of maintaining situational awareness after he was almost hit by a moving car when he was walking. Fortunately, he was paying attention to his surroundings and could get out of the way.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Worth moved and Hoepfner seconded that the minutes of the regular monthly Board of Directors meeting held October 26, 2021 be approved as presented.

The minutes were approved by unanimous vote.

AGENDA ITEM #4 – REVIEW 2022 CAPITAL BUDGET

Brunner led a discussion of VEC’s capital budget proposal for 2022. He started with an overview of the completed 2021 projects and some 2021 projects still in progress. Then he described the \$11.4 million capital projects planned for 2022, broken down into the following general areas:

- Transmission, distribution, substations -- \$7.6 million
- Make-ready -- \$600,000
- Fleet (including new electric trucks and hybrid buckets) -- \$1.2 million
- Information Technology (IT) -- \$400,000
- Metering and member services --\$1 million
- Energy Transformation and Innovation -- \$250,000
- Facilities -- \$400,000

There were numerous questions from directors throughout the presentation.

Van Winkle moved and Maroni seconded that the Board approve the 2022 Capital Budget as presented at the meeting.

The motion was approved by unanimous vote.

AGENDA ITEM #5 – VELCO FIBER PROJECT

Rossi gave a presentation on an ongoing VELCO project to install or upgrade its fiber backbone throughout Vermont. The project’s scope is to obtain real-time data from generation resources that are considered “behind the meter” and therefore not visible to ISO-New England. The fiber will connect all generation resources sized 150 kW or greater. The data from these resources will allow Vermont utilities to analyze the sufficiency of substation and grid capacity to support the generation. The project will install 144 strands of fiber (covering approximately 110 miles in VEC’s territory) shared by VELCO, Vermont utilities, and potentially broadband providers where there is additional capacity, with a claw-back provision should it be needed for reliability purposes. Because ISO-New England approved this as a reliability project, the cost will be shared 80% by ISO-NE and 20% by Vermont utilities.

Make-ready applications for the fiber installation are underway, and buildout to substations expected to be complete in 2022, with overall project completion planned by the end of 2023.

AGENDA ITEM #7 -- BREAK

The break was moved up and held from 2:25 to 2:30.

AGENDA ITEM #6 – TILSON BROADBAND ANALYSIS

Chris Campbell, of Tilson, joined the meeting.

Towne noted that VEC engaged Tilson to analyze alternatives for VEC to support or facilitate the deployment of broadband initiatives within VEC's service territory. Campbell's presentation summarized the conclusions from their work.

Campbell noted that they identified three possible broadband goals for VEC, including:

- Support, enhance, and extend others' efforts
- Leverage coming fiber expansion to better meet VEC's own utility communications needs
- Be a catalyst for the unserved areas not already addressed

He suggested five assistance strategies:

- Make-ready incentive. He noted that this is already in place through VEC's broadband tariff rider.
- Pole acquisitions. He shared their analysis of where sole ownership by VEC would provide the most benefit in promoting broadband build-out.
- Coordinate utility fiber and broadband expansion. He noted that there is funding available for a variety of initiatives that could be leveraged to create shared fiber infrastructure that would benefit both utilities and broadband providers.
- Partner in un-served areas. He suggested that VEC might provide value in areas where there is no Communications Union District by working with towns and Internet Service Providers directly.
- Support broadband affordability and equity initiatives. He identified opportunities for VEC to promote these goals, mainly through outreach and communication.

There were questions from the Board throughout the presentation.

Campbell left the meeting.

AGENDA ITEM #8 – NEK COMMUNITY BROADBAND

Christa Shute, Director of NEK Broadband Communications Union District, joined the meeting.

Shute gave a presentation about the goals and activities of the NEK Broadband Communications Union District (CUD). Currently, the CUD represents 50 towns in Northeastern Vermont, and five more are considering joining. Their mission is to ensure broadband access to all addresses with electric service in their towns. She noted that reaching their goal will be a significant challenge even with millions of grant funding available. The NEK CUD's approach is to work in partnerships. Shute provided a recent example where they are building a fiber network in the Concord/Lunenburg area by partnering with NRTC (for design, engineering, and construction management) and Waitsfield Champlain Valley Telecom (for customer support and ISP services).

Shute also described the various grant opportunities available. Finally, she identified a number of ways that VEC can support their work, including:

- Continue the excellent partnership between NEK Broadband CUD and VEC
 - Work on strategy together to shape plans
 - VEC is a huge key to their success
- Tackle the tough make-ready
 - Help identify the toughest areas
 - Purchasing and/or consider whether infrastructure dollars for upgrading poles would reduce make-ready costs for later phases
 - Identify portions of make-ready reasonably covered by VEC
 - Work together with towns facing expensive make-ready costs
- Workforce Development & Make Ready
 - Biggest opportunity for VEC to assist and lead
 - Hiring telecom workers to become 1st class lineworkers
 - Support high paying jobs in the Northeast Kingdom
 - Support and encourage training participation
- Grants and financing
 - Support applications to EDA and USDA
 - Explore town fiscal recovery funds
- Overall broadband support
 - Encourage non-member towns to join

- Encourage towns without water/sewer infrastructure to consider investing in broadband

AGENDA ITEM #9 – BOARD CALENDAR TOPICS

This topic was deferred until next month.

AGENDA ITEM #10 -- MANAGERS' REPORTS

Lague moved and Worth seconded to go into executive session to discuss a potential business transaction. By unanimous vote, the Board went into executive session at 4:00.

The Board exited executive session at 4:06.

Towne noted that her report included an overview of the new infrastructure law; however, there is still much uncertainty as the details continue to be worked out.

Bursell noted that there is a Board resolution supporting an extension of VEC's short term credit facility through 2026.

There were a number of questions about the resolution's terms and implications.

Ward moved and Lague seconded to approve the resolution included in the Board packet.

The motion carried by unanimous vote.

There were additional questions from the Board about various details in the managers' reports.

AGENDA ITEM #11 – OTHER BUSINESS

Towne note that, due to Covid, the Board's strategic planning offsite meeting would be moved from February to July. This will be a two-day meeting and will include the July Board meeting.

Brown noted that long-time Board member Bert Lague's wife has passed away. The consensus was that VEC should send flowers on behalf of the Board.

AGENDA ITEM #12 -- ADJOURN

Lambert moved and Worth seconded to adjourn. By unanimous vote, the meeting adjourned at 4:40 pm.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President