



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

APPROVED MINUTES

December 20, 2022

As required under the VEC Bylaws, notice of this meeting was sent to each director on December 13, 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), Vickie Brown (General Counsel), and Corey Davis (Technology Coach and Strategist)

Invited Guests: Justin Johnson, MMR

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:01 p.m. He introduced Justin Johnson from MMR, which is the legislative advocacy firm that represents VEC at the Statehouse.

AGENDA ITEM #2 -- SAFETY MINUTE

Lague reminded those present to be very careful when clearing a plugged chute on a snowblower. He also cautioned about the severe weather coming and advised that municipalities will make sand available for personal use to sand driveways.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Van Winkle moved and Bailey seconded that the minutes of the regular monthly Board of Directors meeting held November 29, 2022 be approved as presented.

The minutes were approved by unanimous vote.

AGENDA ITEM #4 – LEGISLATIVE UPDATE

Johnson previewed the legislative session for 2023. One big theme is change. Due to a number of retirements, one-third of both chambers has turned over and that has resulted in new committee chairs. All the new faces will mean that the legislature may be off to a slower start as people learn their new roles.

He noted that once again the legislature has a veto-proof majority, which poses challenges for the administration.

As to the issues of concern to VEC, he shared the following:

- **Renewable Energy Standard.** The Department of Public Service has begun a very broad process for gathering public input about renewable energy programs in Vermont. They will take comments over an 18-month period, making it likely that the legislature will defer any new legislation until after this public process. He anticipates that this will be a year of education on energy issues.
- **Federal Money.** There is a lot of money available from several federal programs. The legislature will oversee allocations that it has already made and will also be allocating new funds from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), both of which fund infrastructure, including utility infrastructure.
- **State Budget.** The 2023 budget looks solid, but the following year there is a revenue drop off with the loss of federal money, as well as the lower tax revenues resulting from the drop.
- **Clean Heat Standard.** Governor Scott vetoed the Clean Heat Standard bill last year and the legislature failed to override. This issue will likely resurface this session. The Vermont Climate Counsel had recommended adoption of both the Clean Heat Standard and the Transportation and Climate (TCI) Initiative, since heat and transportation make

up 70% of greenhouse gas emissions. Neither has been adopted. To date VEC has monitored these policy issues but has taken a neutral position.

There were questions from the Board throughout the presentation.

Johnson left the meeting.

AGENDA ITEM #5 – CYBERSECURITY PRESENTATION

Brunner introduced Corey Davis, VEC's Technology Coach and Strategist. Davis has a background with the National Guard and Homeland Security where he supported state and federal cyber-security initiatives. He described VEC's recent cyber penetration test where the company hired "white hat hackers" to probe vulnerabilities in VEC's systems. This is a step beyond the vulnerability tests that VEC performs periodically. The goal of the project was to evaluate the security posture of VEC's Information Technology (IT) and Operational Technology (OT) networks combined with testing VEC's employee cyber security awareness through phishing campaigns and targeted penetration testing. Additionally, the project was designed to identify unknown security threats, vulnerabilities and mitigation strategies.

He described the scope of the testing and the process the consultant used. For extremely important IT/OT functions, VEC did not risk an actual breach but developed replicated networks for testing. The testing revealed numerous strengths in VEC's system that protect various networks. It also revealed some deficiencies, and the IT team has developed a plan to address those.

Key takeaways include:

- The consultant praised VEC's cyber security and information technology team for implementing a better-than-average security posture.
- VEC was able to remediate most deficiencies within one month of the testing.
- VEC's security posture is now increased.
- Users remain the hardest aspect to secure.

There were numerous questions from directors throughout the presentation.

AGENDA ITEM #6 –BREAK

There was a break in the meeting at 2:05 and the meeting resumed at 2:16.

AGENDA ITEM #7 – COMMUNITY FUND REPORT

Lindsay Fenton, Member Services Representative, joined the meeting.

Fenton provided an update as to the activities of the Community Fund Committee. She first noted that the committee considers funding requests in four areas:

- Economic Security
- Emergency/Disaster Relief
- Community Support/Development
- Food Security

Funding is provided by members through three mechanisms:

- Rounding up their electric bills to the next highest dollar
- Donating member capital
- Making a one-time donation

The committee makes funding decisions quarterly. In 2022 the committee exceeded all prior years for (1) total dollars donated, (2) the most money awarded, (3) the most grant recipients, and (4) the largest fund balance.

She reported that to date the fund has received \$113,000 in contributions, and has disbursed \$70,231 to 102 different organizations.

2022 Award Recipients include:

Adult & Teen Challenge Vt	Common Roots	Johnson Firefighters' Association	Ronald McDonald House
Age Well	Easter Seals	Johnson Recreation in Johnson	Richford Economic Advancement Corp
Bakersfield Volunteer Fire Department	Fairfield Community Center	Lamoille Community House	Underhill Recreation Committee
Cambridge Recreation Board	Floating Grace	Mt. Mansfield Villages	Vt Adaptive Ski & Sports
Cambridge Elementary School Parents & Teachers Assoc.	Franklin Recreation Department	Newport Wireless Mesh	Vermont Veterans Summit

Craftsbury Farmers Market Blueberry Festival	Franklin Homestead & Carriage House	Ne Kingdom Learning Services Inc / Ready, Set, Grow Childcare	Wood4good
Craftsbury Saplings	Johnson Beautification Committee	Northwoods Stewardship Center	

She concluded by noting that the committee is considering raising the maximum grant amount from \$750 to \$1000.

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

Fenton left the meeting.

AGENDA ITEM #8 –COMMUNICATIONS COMMITTEE MEETING REPORT

Maroni reported that the committee met recently to review the results of the member survey in detail. She noted that the members who report being “most satisfied” with VEC are those who have been members for over 20 years and that those reporting being “least satisfied” are younger members (under 45) who have been members under 19 years.

Maroni noted that the survey identified the following areas where VEC has room to improve:

- Accurate and easy to understand bills
- Accuracy of metering and billing
- Convenient payment systems

She also noted that the committee reviewed the 2022 Communications Plan implementation to date, which included a video focusing on innovation at VEC, targeted outreach about the Community Fund, promotion of the VEC Community Solar program, and several in-person community events.

The committee also discussed the 2023 Communications Plan as proposed by staff. This includes targeted outreach to specific districts and to certain member groups (e.g. millennials and low-income members). There were many suggestions from committee members for consideration by staff in finalizing the 2023 Plan.

Finally, she reported that the committee discussed the plan for the 2023 Annual Members Meeting, which will be in-person at Jay Peak.

AGENDA ITEM #9 – VEC VISION

Towne shared the top five vision statements and concepts selected by the Board in a recent survey. Towne solicited further input from the Board to help prioritize preferences for alternate versions of the top five statements. The next step is to share these ideas with employees for their involvement and preferences.

AGENDA ITEM #10 –MANAGERS’ REPORTS

There were several questions and comments as to details in the managers' reports. A director asked whether VEC has adequate resources to take advantage of federal grant money that will become available. Brunner noted that our Innovation Fellow has been very helpful in keeping on top of grant programs. He also noted that external support is available, in particular from the NRECA. A director asked for a projection of the 2022 budget as of year-end. Mashia reported that we will not meet our budget, but have access to sufficient resources to cover the underage.

Bailey moved and Lague seconded to go into executive session to discuss personnel matters. By unanimous vote, the Board entered into executive session at 3:30.

The executive session ended at 3:44.

Rossi updated the Board as to the past weekend’s storm and the weather expected for the coming weekend. He noted that VEC is preparing for a serious storm.

AGENDA ITEM #13 –OTHER BUSINESS

Ward announced that he would not be in Vermont for the May annual meeting and so is planning to step down as treasurer as of the January 2023 Board meeting.

AGENDA ITEM #14 -- ADJOURN

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

Respectfully submitted:

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Jody Dunklee

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Jody Dunklee, Secretary

DocuSigned by:

Rich Goggin

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Rich Goggin, President