

VERMONT ELECTRIC COOPERATIVE, INC.
81st ANNUAL MEETING OF MEMBERS
MAY 11, 2019
APPROVED MINUTES

The meeting was called to order by First Vice President George Lague at Jay Peak Resort, Jay Peak, Vermont at 9:30 a.m. First Vice President Lague reminded those present that the ballot box would be closing at 10:00 a.m. Lague also noted that copies of the 2018 Annual Meeting minutes, 2018 Financial Statements and VEC Bylaws were available for those members wishing to take a copy.

INTRODUCTIONS

First Vice President Lague introduced the following members of the VEC Board of Directors:

Don Worth, Island Pond, District #1; John Ward, Treasurer, Newport, East Zone I; Carol Maroni, Second Vice President, Craftsbury, District #3; Mark Woodward, Secretary, Johnson, District #4; District #6; Rich Goggin, South Hero, District #7; Tom Bailey, Derby, East Zone II; Ken Hoepfner, Jeffersonville, West Zone II; and Rich Westman, Cambridge, West Zone III.

Lague introduced VEC Chief Executive Officer, Rebecca Towne.

Towne recognized the following guests: Rebecca Foster, Executive Director of Efficiency Vermont; Riley Allen, Deputy Commissioner of the Vermont Department of Public Service; John Flynn, VP Strategic Business Development, VELCO; Barry Bernstein, President, Washington Electric Co-op; Patty Richards, General Manager, Washington Electric Co-op; and Don Douglas, Treasurer, Washington Electric Co-op

Towne also thanked the vendors who supplied booths and displays in the lobby.

Lague introduced VEC's Utility Joint Use Coordinator Angela Daniels to provide a "safety minute." Daniels shared information about how to stay safe in the warmer weather, including by staying hydrated and wearing sunscreen.

FIRST VICE PRESIDENT'S ADDRESS

Lague read remarks that were prepared by Board President, Dan Carswell, who was not able to attend the meeting. Carswell's remarks reflected on the changes at the Co-op during his 23-year tenure as a director and later as the President.

Lague followed up by thanking Carswell for his service to the Co-op and he offered further

reflections on the changes to the utility industry over the years. Lague then introduced Mark Woodward, Secretary.

CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING

Secretary Woodward read the Certificate of Quorum stating that there was a quorum of at least 100 members, meeting the legal requirement in VEC's bylaws for the meeting to be held.

Woodward read the Mailing Affidavit certifying that a copy of the notice of Annual Meeting of the members was mailed to each member of the Cooperative on April 16, 2019, in the manner prescribed by the bylaws.

Woodward noted that it is customary to waive the reading of the Notice of Annual Meeting and asked for a motion to waive. Jim Town moved and Eric Nuse seconded to waive the reading of the notice.

No discussion was forthcoming and the motion carried.

MINUTES OF THE 2018 ANNUAL MEETING OF MEMBERS

Woodward noted that it is also customary to waive the reading of the unapproved minutes of the previous year's annual meeting and requested a motion that the reading of the minutes of the May 12, 2018 Annual Meeting be waived and that they are approved as submitted by the secretary.

Frank Davis moved and Ted Poeleman seconded.

No discussion was forthcoming and the motion carried.

CERTIFICATE OF CANDIDATES

Woodward read the Certificate of Candidates and asked that those candidates present please stand.

District #1 Director Candidate

Don Worth – Island Pond

District #6 Director Candidate

Paul Lambert - Georgia

WEST ZONE Director Candidates

Jody Dunklee – Fairfax

Stephanie Hoffman – Morristown

TREASURER’S REPORT

Treasurer John Ward presented the Treasurer’s report and financial highlights for the prior year.

Ward reported that Vermont Electric Cooperative continues to have very strong financial results. He reported that VEC’s financial rating in Standard & Poor’s continues to be an A+ rating with a stable outlook, which is VEC’s highest financial rating ever. He noted that stronger financial ratings are beneficial for VEC when negotiating power supply contracts and in borrowing funds at lower interest rates.

He reported that VEC’s independent auditors, Kittell, Branagan & Sargent, completed their independent audit of VEC for 2018 and issued an unqualified accounting opinion, which assures the members that all of the financial results presented in VEC’s annual financial summary conformed to industry-wide, generally-accepted accounting principles.

Ward reported that for the 2018 calendar year, VEC had revenues of \$78.9 million which was three percent higher than 2017. He reported that between 2013 and 2018, VEC has returned \$4.9 million of patronage capital to our members in the form of bill credits to members and checks to former members.

He noted that VEC did not seek rate increases for the past five years and the Co-op’s rate increases over the past ten years have averaged less than 0.7 percent per year.

Capital spending for 2018 was \$11.7 million to improve our aging infrastructure, increase electric service reliability for our members and to repair storm damage.

John Hall moved and Alan Brouillette seconded that the Treasurer’s Report be accepted as presented in the meeting.

No discussion was forthcoming and the motion carried.

CHIEF EXECUTIVE OFFICER’S REPORT

Towne introduced VEC’s senior leadership team: Chief Operations Officer Peter Rossi, Chief Financial Officer Mike Bursell, Manager of Government Affairs and Member Relations Andrea Cohen, General Counsel Victoria Brown, and Security and Safety Manager John Varney.

Towne addressed the members for the first time as Chief Executive Officer, having joined the Cooperative in October, 2018. Towne introduced herself and shared her background and professional experience. Her presentation discussed the Cooperative’s accomplishments in 2018 in meeting its strategic initiatives, which focused on continuing to build a strong and safe workplace culture, meeting renewable energy goals, implementing a new energy transformation

program and attending to core business. Key accomplishments included completing our third year with VOSHA VPP Star status for safety, maintaining reliable service for members, keeping rates level since 2014 while maintaining financial health, enhancing our members' experience, and exceeding state renewable and energy transformation goals.

PRESENTATIONS

Andrea Cohen moderated a panel on the topic of “**Driving into the Future: Electric Vehicles in Rural Vermont.**”

Panel members included Dave Roberts from Drive Electric Vermont; Michele Boomhower from Vermont Agency of Transportation; Mike Davin from Nissan North America, and Ingrid & Eric Nuse, who are VEC members who current drive electric vehicles. Each panelist provided the opportunities and challenges associated with a transition to electric vehicles from their own perspective.

The panelists also responded to questions and comments from the membership.

VOTING RESULTS -- DIRECTOR ELECTION

First Vice President Lague introduced ballot teller Susan Bahr. Bahr presented the election results for the ballot items as follows:

District 1:

Don Worth received 314 votes and he is the Director for District 1.

District 6:

Paul Lambert received 247 votes and he is the Director for District 4.

West Zone At Large:

Stephanie Hoffman received 313 votes, Jody Dunklee received 923 votes, and Caleb Magoon received 325 votes.

Jody Dunklee is the Director for West Zone At Large.

ADJOURNMENT

There being no further business before the meeting:

The meeting was adjourned by vote of the membership.

The meeting adjourned at 11:55 a.m.

Respectfully submitted by:

Mark Woodward, Secretary

and

Rich Goggin, President