

VERMONT ELECTRIC COOPERATIVE, INC.
82nd ANNUAL MEETING OF MEMBERS
MAY 26, 2020
UNAPPROVED MINUTES

The meeting was called to order by President Rich Goggin via webinar due to the Coronavirus pandemic and state mandate to limit large gatherings. President Goggin provided instructions as to how members may participate in the meeting by using the webinar’s “poll” function to vote and using the “Q&A” function to ask questions.

INTRODUCTIONS

President Goggin introduced the following officers of the VEC Board of Directors:

Mark Woodward, Secretary; John Ward, Treasurer; Paul Lambert, Vice President; and Carol Maroni, Second Vice President.

Goggin also introduced VEC Chief Executive Officer, Rebecca Towne, and the meeting host, Laura Kinney.

Goggin then turned the meeting over to Mark Woodward, Secretary.

CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING

Secretary Woodward read the Certificate of Quorum stating that 3,527 members voted in the election and that met the quorum requirement in VEC’s bylaws of at least 100 members.

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 May 1, 2020, 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. John Ward moved and Paul Lambert seconded to waive the reading of the notice.

A poll was taken of those attending the webinar and the motion carried.

MINUTES OF THE 2019 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 to that effect.

Carol Maroni moved and Rich Goggin seconded that the reading of the minutes of the May 11, 2019 Annual Meeting be waived.

A poll was taken of those attending the webinar and the motion carried.

Woodward noted that he would entertain a motion to approve the minutes.

Paul Lambert moved and John Ward seconded that the minutes of the May 11, 2019 Annual Meeting be approved.

A poll was taken of those attending the webinar and the motion carried.

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 2019 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 2019 calendar year, VEC had revenues of \$77.1 million which was two percent higher than 2018. He reported that between 2013 and 2019, VEC has returned \$6.5 million of patronage capital to our members in the form of bill credits to members and checks to former members.

He noted that in 2020 VEC implemented a 3.3 percent rate increase, the first increase in six years and the Co-op's rate increases over the past ten years have averaged less than 1 percent per year.

Capital spending for 2019 was \$11.7 million to improve our aging infrastructure, increase electric service reliability for our members and to repair storm damage.

Carol Maroni moved and Mark Woodward seconded that the Treasurer's Report be accepted as presented in the meeting.

A poll was taken of those attending the webinar and the motion carried.

CHIEF EXECUTIVE OFFICER'S REPORT

Chief Executive Officer Rebecca Towne welcomed those members in attendance. She began her remarks by thanking the VEC employees, its senior leadership team, and the Board of Directors.

Towne gave a brief overview of the Cooperative's accomplishments in 2019 in maintaining reliable service to the membership, continuing to pursue energy transformation goals, implementing a new utility-scale storage facility. She reflected on VEC's mission to provide safe, affordable and reliable energy service to its members.

Towne then announced the results of the election for the Board of Directors:

District 7:

- Rich Goggin 518 votes - 100%

East Zone At-Large:

- George Lague 1054 votes - 71.2%
- Normand Raymond 426 votes - 28.8%

West Zone At-Large:

- Jeff Forward 757 votes - 38.3%
- Ken Hoepfner 846 votes - 42.8%
- Bill Karstens 372 votes - 18.8%

In addition, she noted that there was a bylaw amendment on the ballot which would amend Article V, Section 6 to allow Directors to vote and receive compensation when participating in a regular Board meeting via phone or videoconference.

- There were **3037** votes in favor.
- There were **295** votes opposed.

The amendment passed.

Towne provided an opportunity for members to ask questions via the webinar Q&A function then turned the meeting back to President Goggin.

ADJOURNMENT

John Ward moved and Mark Woodward seconded to adjourn the meeting.

A poll was taken of those attending the webinar and the motion carried. The meeting adjourned at 12:30.

Respectfully submitted by:

Mark Woodward, Secretary

and

Rich Goggin, President