



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

APPROVED MINUTES

February 25, 2025

As required under the VEC Bylaws, notice of this meeting was sent to each director on February 18, 2025, 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), Charlie Van Winkle (Treasurer), Ken Hoeppe, George Lague, Bonnie Pratt, Mark Woodward.

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operating 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), and Thea Schwartz (Corporate Counsel).

Guests: VEC Project Planner Laura Kinney

AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:00 pm.

AGENDA ITEM #2 -- SAFETY DRILL

Carol Maroni shared a safety tip about the importance of symptom control when having a cold, flu, or Covid. She talked about the role of fingertip pulse oximeters and kn-95 masks and encouraged use of them.

AGENDA ITEM #3 – REVIEW JANUARY 28, 2025 BOARD MEETING MINUTES

President Goggin presented the January 28, 2025 Board meeting minutes. Bonnie Pratt moved to approve the minutes and Mark Woodward seconded. There was no discussion. The Board approved the minutes by unanimous vote.

AGENDA ITEM #4 – FINANCIAL REVIEW

CFO Caroline Mashia gave a presentation entitled “Financial Review and Capital Funding Carry Over Request.” Mashia shared 2024 operating results; summarized the PUC Accounting Order and related VEC actions; and discussed financial ratios, line loss analysis and capital results. She explained the need for carryover of capital funds to 2025. The Directors asked numerous questions about her presentation and Mashia answered them. CEO Rebecca Towne also assisted in answering questions. Mashia explained the concept of TIER (Time Interest Earned Ratio) and the role of rating agencies. She also reviewed how the accounting order works with regard to the treatment of storm costs and how the carryover of capital funds works.

Mashia made a management recommendation regarding the carryover of 2024 capital funds to 2025 to the Board and requested its approval. Paul Lambert moved for a vote on the request, and Bonnie Pratt seconded:

The Board of Directors authorizes a carryover of the 2024 Capital Budget underspend of \$1,211,314 to fund the 3 bucket trucks budgeted in 2024 that will not arrive until 2025. The 2025 Capital Budget will increase from \$13,040,548 to \$14,251,862.

The Board unanimously approved the request.

AGENDA ITEM #5 – BOARD TRAINING – TOPICS AND TIMING

CEO Rebecca Towne expressed the commitment of VEC to board education through regular board meetings, VEC offsite opportunities, NEAEC training, and other available training at NRECA. She talked about last year’s site visit to the Troy battery site. She then facilitated a discussion about board training with a focus on topics and timing of training, noting the offsite strategic planning with CFC on June 3 and 4 at Jay Peak Resort. She introduced the concept of using a survey that would list potential training topics and would ask Directors to rank the topics based on their interest in developing a deeper understanding of them. VEC will distribute the survey to Directors and the results will be reported during the March 2025 board meeting.

AGENDA ITEM #6 – ANNUAL MEETING PREPARATIONS

VEC Project Planner Laura Kinney made a presentation on 2025 annual meeting and board election preparations so far. Kinney shared that the employee planning team proposes:

- an overall theme from the VEC vision statement, “Lighting a Path to Clean, Affordable Energy together,” and
- VEC Power Planning Analyst Dan Potter as speaker, addressing the topic of “Navigating a Clean Power Supply.”

Kinney said the team is also working on the request to increase the accessibility of Directors to members at the meeting. A discussion about options to increase accessibility followed, such as including tables with Directors present and displaying a map of the districts “meet your district representation.” There was also a discussion about interesting displays for the meeting, as a number of Directors noted that their appreciation of having the Ford Lightnings available at last year’s meeting.

Kinney said that candidate petition deadline is March 12. Mark Woodward and Jody Dunklee volunteered to be on the Petition Review Committee to confirm candidates and make recommendations to the Board about the candidates that meet the criteria to be on the election ballot. Manager of Government Affairs and Member Relations Andrea Cohen and VEC Energy Services Planner Lisa Morris will serve as employee representatives on the committee again this year. The committee is scheduled to meet March 17 at 10 am via Zoom.

The following timeline was included in the written materials accompanying the presentation:

2025 Director Election Timeline

March 12 Candidate for director materials are due.

March 17 Petition Review Committee reviews petitions for eligibility.

March 17 Designee of Board of Directors notifies candidates of their eligibility.

April 15 Election opens online and the Notice of Annual Meeting (which includes voting ballot) is mailed to all VEC members.

May 8 Voting closes.

May 10 87th Annual Meeting of the Membership

May 10 Results of the 2024 Director Election are announced at Annual Meeting.

May 10 VEC Board of Directors’ organizational meeting is held immediately following the Annual Meeting for all directors (including those newly elected).

AGENDA ITEM #7 – HEALTH INSURANCE UPDATE

People and Culture Leader Jeff Bickford gave a presentation entitled “Health Insurance Renewal.” Bickford began with a brief history of health insurance offered at VEC, noting that in 2018 VEC retained an insurance broker when it switched from the IBEW Health Plan administered by BCBS to Cigna. He provided a survey of Vermont health insurance providers,

highlighting that there are limited options and competition. He explained the broker's role, including how it is useful to have the broker's expertise in negotiating and in exploring and evaluating options. He then gave an overview of the health insurance outlook for VEC and described how VEC has many factors to consider in making decisions about how to provide health insurance for its employees.

The Directors asked numerous questions about his presentation and Bickford answered them.

AGENDA ITEM #8 – MANAGEMENT REPORTS

Manager of Safety, Security, and Facilities John Varney answered questions about CPR training for Directors.

Innovation and Technology Leader Cyril Brunner answered questions about cyber security and the ranking of IT risks.

Chief Operating Officer Peter Rossi answered questions about the effect of snow and cold temperatures on operations.

Manager of Government Affairs and Member Relations Andrea Cohen gave a brief update of Vermont legislative efforts that could affect VEC. Several Directors expressed appreciation to Cohen for the regular Statehouse updates.

People and Culture Leader Jeff Bickford answered questions about housing availability with regard to VEC hires moving to the area.

Corporate Counsel Thea Schwartz answered questions on the Legal Report.

AGENDA ITEM #9 – BREAK

There was a break at 2:16 pm and the meeting resumed at 2:26 pm.

Upon return from the break, President Goggin said that Agenda Item #11 Any Other Business would be addressed next as there were several items to discuss in Executive Session.

AGENDA ITEM #10 – RATE CASE PROCESS – EXECUTIVE SESSION

Agenda Item #10 was discussed after Agenda Item #11 Any Other Business.

AGENDA ITEM #11 – ANY OTHER BUSINESS

Ken Hoeppner shared the survey results regarding Directors' ranking of Board policies for review and Directors' availability to meet for the Governance Committee to review these policies. The Governance Committee will meet from 9 am to 10:30 on the days of two upcoming Board meetings, March 25 and July 27. Prior to these meetings, they will receive the policies with VEC Senior Leadership Team suggested edits and comments.

No other business was discussed.

The Board entered into executive session at 2:35 pm for the purpose of discussing contracts, finance, and CEO performance. Caroline Mashia and Corporate Counsel Thea Schwartz remained for the discussion of contracts and finance and left prior to the discussion of CEO performance.

AGENDA ITEM #12 – ADJOURN

By unanimous vote, the meeting adjourned at 5 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President