

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

April 27, 2021

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on April 20, 2021 or by electronic means for those Directors requesting such delivery.

CALL TO ORDER – AGENDA ITEM #1

President Rich Goggin called the meeting to order at 12:01pm via video conference. Present were Directors Ken Hoepfner, Carol Maroni (Second Vice President), Mark Woodward (Secretary), George Lague, Charlie Van Winkle, Don Worth, Paul Lambert (First Vice President), John Ward (Treasurer), Tom Bailey, Rich Westman, and Jody Dunklee. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Operations Officer Peter Rossi, Chief Financial Officer Mike Bursell, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, and Project Planner Laura Kinney. VEC Controller Caroline Mashia joined the meeting.

SAFETY MINUTE – AGENDA ITEM #2:

Ward pointed out the importance of maintaining focus when you are doing something. Not paying attention can cause accidents, such as falls.

APPROVE BOARD MEETING MINUTES -- AGENDA ITEM #3

Goggin asked for a motion to approve the minutes of the March Board meeting.

Westman moved and Maroni seconded:

That the minutes of the regular meeting of the Board of Directors held on March 30, 2021 be approved.

With one correction to the spelling of a director's name, the minutes were approved by unanimous vote.

REVIEW FORM 990 - AGENDA ITEM #4

Bursell noted that the Form 990 for 2020 was in the packet and he would take questions from the Board. There were a number of questions about various details in the report. A director noted that the pages seemed out of order. Bursell noted that staff will check with the auditors to make sure that the form is filed properly and that the version posted on our website is in the proper order.

Van Winkle moved and Ward seconded to approve the Form 990 for 2020. The motion carried by unanimous vote.

#### CYBER SECURITY PRESENTATION -- AGENDA ITEM #5

Rossi provided a summary of VEC's cyber-security program. He focused first on certain best practices that VEC has embraced, including:

- Adoption of security framework to guide the VEC program – VEC uses the Cybersecurity Capability Maturity Model (C2M2) developed by the U.S. Department of Energy.
- Asset identification and management – VEC has a good inventory of the IT assets on our system.
- Segmentation – VEC maintains firewalls between its IT systems to limit any incursion.
- Endpoint protection – Every device has protection via a Virtual Private Network (VPN) and other encryption.
- End user security training – VEC actively trains employees of threats they may encounter.
- Disaster recovery – VEC has multiple backup mechanisms for speedier recovery as well as a robust plan for responding to a cyber-attack.

Rossi also summarized VEC's cyber-security initiative in 2020 and plans for 2021.

There were numerous questions from directors throughout his presentation.

#### VEGETATION MANAGEMENT PRESENTATION – AGENDA ITEM #6

Sara Packer, VEC's T&D Vegetation Management Program Manager, joined the meeting.

Packer gave a presentation summarizing VEC's vegetation management program. She highlighted the key operational activities, noting that in the past few years, VEC has:

- Conducted a five-year revision to VEC's Vegetation Management Plan (filed with the Public Utility Commission).

- Began to move to a shorter distribution vegetation management cycle by increasing line miles trimmed annually.
- Shifted to a new contract/rate structure for tree contractors tied to achievement targets.
- Improved coordination with Engineering and Line Departments to leverage capital dollars for vegetation management.
- Continued to implement herbicide programs.
- Developed an Emerald Ash Borer Mitigation Program.
- Implemented modifications due to Covid – no in-person notifications, increased safety measures.

She identified the program challenges including:

- Maintaining good relations with members.
- Resource constraints -- the need to do more with less.
- Industry-wide labor shortage for tree workers.
- Advancement of emerald ash borer.
- Environmental permits and requirement.

She also celebrated these successes:

- Solid safety program
- New technologies
- Meeting/exceeding reliability measures
- Increasing line miles
- Good feedback from members
- Increased storm resiliency

There were questions throughout her presentation.

#### BREAK – AGENDA ITEM 7

There was a break in the meeting at 1:50, and the meeting resumed 2:02.

#### GUEST SPEAKER: WASHINGTON ELECTRIC COOPERATIVE – AGENDA ITEM #8

Barry Bernstein, Patty Richards, Roger Fox and Steve Knowlton, of Washington Electric Cooperative, joined the meeting.

Goggin welcomed the guests. Bernstein gave a presentation about WEC's broadband initiatives. WEC's vision is to facilitate 100 Mbps broadband service to all WEC members and at the same time enhance their services to members with internet connectivity. He described their evolving plan to provide backbone fiber to the Communication Union Districts (CUDs) who would build the last mile to the home. They plan to build 800 plus miles of backbone fiber and are developing partnerships with the CUDs in their service territory. The \$25-30 million project would be funded through RUS loans, and are relying on legislative changes to ensure the backbone fiber is not taxable.

There were numerous questions from directors about WEC's activities.

Bernstein, Richards, Fox and Knowlton left the meeting

#### BROADBAND DISCUSSION – AGENDA ITEM #9

Goggin asked the directors to share their thoughts in response to the WEC presentation. They included:

- VEC just launched a broadband make-ready support tariff and should stick with that approach.
- There is a concern about whether the labor force would be there to do the necessary work.
- Several directors supported VEC owning broadband fiber
- Others suggested there may be a middle ground that helps solve some connectivity problems not currently being addressed in our service territory while being mindful of risk.
- There is some willingness to do more, especially if supported by grant money, but there is also considerable concern about putting VEC ratepayer money at risk.

Goggin asked for Towne's suggestion as to how to move forward. Towne expressed concern about the financial risk of taking a similar approach to WEC in VEC's very-different service territory and noted that we have taken a substantive role in becoming a catalyst for broadband. There were further comments from directors. There was consensus that getting broadband throughout our service area is a desired goal. There were many different views as to VEC's potential role is in pursuing that goal.

The consensus was to give senior staff some time to develop updated territory status information and possible approaches for VEC's continued involvement in broadband initiatives. These will

be preliminary concepts and not developed business plans, and are intended to help provide context and focus for the Board's thinking.

#### MEMBER SURVEY – AGENDA ITEM #10

Cohen noted that this year VEC went out to bid for firms to conduct the member survey. After reviewing the bids, VEC decided to continue with NRECA. VEC is developing the survey now with the goal to get results back in early July. Cohen noted that at this point she is looking at general feedback from the Board. She noted that the trend is to move away from phone surveys and toward on-line, and the board generally supported that transition.

#### COMMITTEE REPORTS – AGENDA ITEM #11

Hoepfner reported that the Governance Committee met on March 24, 2021. The meeting minutes were included in the packet.

Maroni moved and Worth seconded to approve the minutes from the March Governance Committee meeting. The motion passed by unanimous vote.

Hoepfner noted that the committee reviewed Policy BOD 17 – Communications – and recommended no changes.

Maroni moved and Worth seconded to accept Policy BOD-17 without change. The motion passed by unanimous vote.

Hoepfner further noted that the committee recommended certain wording changes and that the following language be added to Policy BOD-13 – Harassment Policy for Board of Directors:

“Any repetition of harassment could result in more severe disciplinary action, **up to and including removal of the Board under Article IV, Section 4.**”

Worth moved and Ward seconded to revise Policy BOD-13, as recommended by the committee. The motion passed by unanimous vote.

Finally, Hoepfner noted that the committee recommended that the Board rename Policy BOD-18 -- Bullying Policy for the Board of Directors – to be “Anti-Bullying” policy.

Van Winkle moved and Worth seconded to change the name of the policy as recommended. The motion passed by unanimous vote.

#### MANAGERS' REPORTS – AGENDA ITEM #12

There were a number of questions from directors as to details in the managers' reports.

A director asked for an annual report showing what percentage of our power supply is carbon free. Towne said that is posted annually on our website and could be provided to the Board.

ANY OTHER BUSINESS – AGENDA ITEM #13

There was no other business.

ADJOURN -- AGENDA ITEM #14

Lague moved and Worth seconded that the meeting be adjourned.

The motion was approved by unanimous vote.

The meeting adjourned at 4:23pm.

Respectfully submitted:

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Jody Dunklee, Secretary

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Rich Goggin, President