

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

May 26, 2020

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on May 19, 2020 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 1:41 p.m via videoconference. Present were Directors Ken Hoepfner, Carol Maroni (Second Vice President), Mark Woodward (Secretary), George Lague, Charlie Van Winkle, Rich Westman, Don Worth, Paul Lambert (First Vice President), John Ward (Treasurer), Tom Bailey, and Jody Dunklee. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Financial Officer Mike Bursell, and Chief Operations Officer Peter Rossi, Safety & Security Manager John Varney, Manager of Government Affairs and Member Relations Andrea Cohen, and Project Planner Laura Kinney.

SAFETY MINUTE – AGENDA ITEM #2:

John Varney shared that he used to have a bad habit of reading while walking. He forced himself to break the habit after two accidents. Now it is common to see people walking while looking at their phones. If you really need to pay attention to your phone, stop and focus on that.

APPROVE REGULAR AND SPECIAL BOARD MEETING MINUTES -- AGENDA ITEM #3

President Goggin noted that there were three sets of minutes in the packet for review.

He asked for a motion to approve the minutes of the Special Board of Directors meeting held on April 22, 2020.

Hoepfner moved and Woodward seconded:

That the minutes of the Special Board of Directors meeting held on 04.22.2020 be approved.

The minutes were approved by unanimous vote.

President Goggin asked for a motion to approve the minutes of the regular monthly Board of Directors meeting held on April 27, 2020.

Worth moved and Lague seconded:

That the minutes of the Board of Directors meeting held on April 27, 2020 be approved.

The minutes were approved by unanimous vote.

Finally President Goggin asked for a motion to approve the minutes of the Special Board of Directors meeting held on April 27, 2020.

Hoepfner moved and Westman seconded:

That the minutes of the Special Board of Directors meeting held on 04.27.2020 be approved.

The minutes were approved by unanimous vote.

#### FINANCE COMMITTEE RECOMMENDATIONS-- AGENDA ITEM #4

Ward moved and VanWinkle seconded to approve VEC's Equity Management Plan as presented at the 5/21/20 Finance Committee meeting.

The motion passed by unanimous vote.

Ward moved and Lague seconded to approve a patronage capital retirement of \$1.4 million for 2020 consisting of \$250,000 applied to 1997 patronage with the balance of \$1,150,000 applied to 2019 patronage.

The motion was approved by majority vote.

Ward moved and VanWinkle seconded to approve the selection of Kittell, Branagan & Sargent (KBS) for a five-year contract for VEC's audit services beginning with calendar year 2020.

The motion passed by unanimous vote.

## BOARD COMMITTEE CHAIR ASSIGNMENTS -- AGENDA ITEM #5

Goggin asked the existing chairs if they wanted to continue to chair their respective committees, and all replied in the affirmative.

Maroni moved and Lambert seconded to continue with the current committee chair assignments.

The motion passed by unanimous vote.

## BROADBAND FEASIBILITY STUDY UPDATE -- AGENDA ITEM #6

Towne shared the schedule for completing the feasibility study currently being conducted by NRTC. They will present their conclusions to the Board at the August meeting. She also shared other activities taking place statewide, including the rollout of a draft Emergency Broadband Action Plan by the Department of Public Service. We will be submitting comments on the draft Plan. In addition, the legislature is evaluating how best to spend funding made available in the CARES act to support broadband build-out. Our message has been if there is funding available we will consider how we can accelerate our own work (mainly make-ready) to support faster deployment. Finally she summarized the Rural Development Opportunity Fund (RDOF) and noted that VEC will join a bidding consortium organized by NRTC which allows VEC to participate in the RDOF reverse auction. This participation does not cost us anything or bind us to do anything at this point, but it keeps the option of participating open.

There were a number of questions from directors throughout the presentation.

## 2020 AND 2021 STRATEGIC PLANNING -- AGENDA ITEM #7

Towne updated the Board as to progress to date on our 2020 strategic plan, particularly since the pandemic has forced us to change how we work. Some of the metrics in the plan are no longer possible to pursue and those have been highlighted for the Board. Others we have vastly exceeded as we implemented many new technologies and process improvements – out of necessity as we adjust to the new social distancing requirements.

There were questions from directors throughout the presentation.

Towne noted that in a normal year, we would begin to engage the Board in 2021 strategic planning in May by suggesting new key focus areas. Given the unusual circumstances, we will

have a shorter strategic planning period and make it later in the year. The Board will still play its usual role, but it will be later than usual.

#### COVID-19 UPDATE -- AGENDA ITEM #8

Towne led a discussion of ongoing operational changes VEC has implemented in response to the coronavirus crisis. She noted that we received great feedback from a recent employee survey checking in on employees' wellbeing in the current circumstances and their thoughts about returning to prior working conditions at some point.

#### PAYCHECK PROTECTION PROGRAM – AGENDA ITEM #9

Goggin led a discussion as to the Board's role with respect to this new federal program. He asked that management keep the Board informed. There was a suggestion that the Board should be involved in a decision to ask for loan forgiveness. Goggin noted that the rules are still evolving and expects that management will continue on the path of seeking loan forgiveness.

Bursell clarified that VEC applied for this as a grant opportunity but whether the Small Business Administration agrees to loan forgiveness will depend on the audit that they will conduct. We are preparing for that and documenting both the financial risks we are facing and how we have used the proceeds to maintain our workforce which is the purpose of the Program.

There was a break in the meeting at 3:22.

#### MANAGERS' REPORTS – AGENDA ITEM #9

Woodward moved and Lague seconded to go into executive session to discuss a confidential potential financial deal.

By unanimous vote, the Board entered into executive session at 3:26 and exited at 3:50.

There was a discussion of whether the current heatwave will result in a peak event, and Bursell noted that VEC is planning as though it will.

There was a question as to how VEC intends to deal with arrearages that have been accruing while we are in a disconnection moratorium. Cohen noted that the current moratorium expires at the end of May and will likely be extended to at least the end of June.

There was a question about the status of several legislative issues which had been placed on hold due to the pandemic. The Renewable Energy Standard will likely not be pursued this year.

ANY OTHER BUSINESS – AGENDA ITEM #10

Goggin asked whether there is any further business and there was none.

ADJOURN -- AGENDA ITEM #111

Ward moved and Worth seconded that the meeting be adjourned.

The motion carried unanimously.

The meeting adjourned at 4:10.

Respectfully submitted:

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Mark Woodward, Secretary

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Rich Goggin, President