



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

UNAPPROVED MINUTES

May 28, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on May 22, 2024, 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), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Jeffery Wilson, Mark Woodward, and Don Worth

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operating Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), Laura Kinney (Project Planner), Vickie Brown (General Counsel), Cyril Brunner (Innovation and Technology Leader), Jeff Bickford (People and Culture Leader), and John Varney, Safety and Security Manager

Guests: VEC staff members Craig Kieny (Manager of Power Supply) and Belinda Gunnel (Interim Technology Coach and Strategist) joined for a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:05 p.m.

AGENDA ITEM #2 – SAFETY MINUTE

Pratt advised about the dangers of ground wasps, and being careful and walking in pairs in the woods. She also noted that with summer approaching, adults should be cautious of children playing around water. When at a gathering, it is best to assign one adult to watch the children rather than a group of adults.

AGENDA ITEM #3 – NEW BOARD MEMBER INTRODUCTION

Goggin asked the new director, Jeff Wilson, to provide some information about himself. Wilson shared that he served in the Marines for a decade and has worked for the VA for the last ten years. He moved to the area three years ago from Washington State, and resides in Coventry with his wife and daughter on their family farm. He enjoys serving his community and is vested in understanding how the grid works along with his journey to get his home energy sources electrified.

AGENDA ITEM #4 – MINUTES REVIEW

Goggin noted that there are three sets of minutes to be approved.

April 30, 2024 Regular Board Meeting

Lague moved and Van Winkle seconded that the minutes of the regular Board meeting held on April 30, 2024, be approved. The minutes were approved by unanimous vote.

May 11, 2024 Annual Meeting

Pratt moved and Bailey seconded that the minutes of the Annual Meeting of the Members held on May 11, 2024, be accepted for presentation and review by the members at the 2025 Annual Meeting. The minutes were accepted by unanimous vote with the correction of adding the East and West Zone seat numbers to the election results.

May 11, 2024 Board Organizational Meeting

Van Winkle moved and Pratt seconded that the minutes of the Board Organizational Meeting held on May 11, 2024, be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – REVIEW COMMUNICATIONS COMMITTEE MEETING MINUTES

Maroni noted that she provided a verbal committee meeting review at the last Board meeting. She requested a motion to approve the minutes.

Hoepfner moved and Lague seconded that the minutes of the Communications Committee held on April 11, 2024, be approved. The motion passed by unanimous vote.

AGENDA ITEM #6 – BOARD COMMITTEE CHAIR ASSIGNMENTS

Goggin noted that he spoke to each of the current committee chairs, and each volunteered to continue in the role for the next year.

Lambert moved and Pratt seconded that the VEC Board approve the following committee chairs:

Governance: Ken Hoepner

Communications: Carol Maroni

Finance: Charlie Van Winkle

Power Supply and Operations: George Lague

The motion passed by unanimous vote.

Goggin asked for a volunteer for the Community Fund Committee, as one current Board member's term expired. Pratt volunteered to serve another term. Goggin appointed Pratt to serve another two-year term (2024-2026).

AGENDA ITEM #7 – FINANCE COMMITTEE RECOMMENDATIONS

Van Winkle noted that the Finance Committee met in the morning prior to this meeting and engaged in a detailed discussion of VEC's equity management plan, its five-year forecast, forecasts for 2024 member capital retirements, and VT Transco stock investment opportunities.

The Committee made three recommendations for the Board: (1) to approve implementation of the selected financial planning model; (2) to approve the selected annual member patronage capital retirement, and (3) to approve the selected annual purchase option of TRANSCO stock.

- 1) Van Winkle moved and Bailey seconded that the Board approve the Finance Committee's recommendation to implement the Financial Forecast Scenario #2, as presented at the committee meeting. In addition to typical operating and capital expenses, this planning scenario includes budget allocations for a new Automated Meter Infrastructure (AMI) system rollout over six years, beginning in 2025, and infrastructure capital spending above recent annual levels to improve grid resilience and reliability.

The motion passed by unanimous vote.

- 2) Van Winkle moved and Lambert seconded that the Board approve the Finance Committee's recommendation to retire \$1,700,000 in member capital in 2024, applied

100% to the 1997 patronage capital allocation. This is in alignment with the current goal of a 25-year patronage capital retirement cycle.

The motion passed by unanimous vote.

- 3) Van Winkle moved and Lague seconded that the Board approve the Finance Committee's recommendation to purchase TRANSCO stock shares in 2024, including any available over-subscription shares, not to exceed \$2,900,000 in total.

There was a question if the \$2.9 Million in share allocations are available only in 2024, or also in additional years. It was clarified that these shares are only available for 2024.

The motion passed by unanimous vote.

AGENDA ITEM #8 – OPERATIONS PROJECTS PRESENTATION

Rossi briefed the Board on the previous day's storm. Wind, heavy canopy, and downsloping caused 50 outage events affecting 3751 members. Twenty-two substations were affected, with Lowell and Richford being the most impacted.

Rossi presented on the projects underway to improve the reliability and resiliency of the VEC electric systems in light of the Co-op's new challenges.

To address the significant load growth expected by 2035, VEC has launched a project with Camus to create a common platform that will integrate and manage data from VEC's system to identify load management opportunities and its potential to eliminate infrastructure constraints and defer upgrades.

To understand and address power quality issues, VEC is working with Pacific Northwest National Laboratory to model solar impacts on the distribution system, including voltage and other impacts. VEC is also working with EdgeZero to install monitoring devices to improve fault location and outage visibility.

To reduce the impact of climate change, VEC is working with PowerMetrix to create an AI-based data analytics tool that will help identify areas to prioritize for resiliency projects.

To stabilize maintenance cost pressures, VEC has retained Firmatek to use drones to gather information about system conditions to prioritize areas for maintenance work. VEC is also

working with UVM on a state-wide project to analyze climate-driven impacts on the electric system.

VEC is upgrading its SCADA system to enhance the ability to monitor and manage the grid.

There were numerous questions from the directors throughout the presentation.

AGENDA ITEM #9 – BREAK

There was a break at 1:51 p.m. and the meeting resumed at 2:10 p.m.

AGENDA ITEM #10 – SOLAR ARRAY PROJECT

Charlie Van Winkle left the meeting.

Craig Kieny joined the meeting.

Lague moved and Pratt seconded to enter into executive session to discuss a confidential potential power supply contract. The motion passed by unanimous vote, and the Board entered into executive session at 2:10 p.m.

Wilson moved and Lague seconded to exit executive session. The motion passed by unanimous vote and the Board exited executive session at 2:36 p.m.

Kieny left the meeting

AGENDA ITEM #11 – CYBERSECURITY ITEMS

Charlie Van Winkle rejoined the meeting.

Belinda Gunnell joined the meeting.

Gunnell explained that to avoid security risks, VEC would like to transition the Board to VEC-managed email accounts to be used for VEC business and change how the board materials are distributed, such as by using a secure computer application. The Board generally agreed to transition to the application or hardcopy materials. IT will look into offering training for the Board on the application. There were considerations and questions regarding the switch to VEC mail, so for now the Board will maintain the current system of personal email accounts and revisit the conversation later.

There were several questions from the directors.

Gunnell left the meeting.

AGENDA ITEM #12 – MANAGERS’ REPORTS

Towne highlighted the June 4th Board educational meeting in South Hero, noting that prework will be available later in the week to prepare for the event.

Cohen noted that the Affordable Community Renewable Energy (ACRE) Program has launched. The soft launch is progressing, and members can submit applications to the Department of Children and Families (DCF) eligibility review. VEC has received approved lists from DCF and has initiated bill credits for those members.

There were other questions from the directors as to details in the managers’ reports.

Van Winkle moved and Pratt seconded to enter into executive session to discuss a confidential legal matter. The motion passed by unanimous vote, and the Board entered into executive session at 3:48 p.m.

Lague moved and Pratt seconded to exit executive session. The motion passed by unanimous vote and the Board exited executive session at 4:00 p.m.

AGENDA ITEM #13 – OTHER BUSINESS

There was no other business.

AGENDA ITEM #14 – ADJOURN

Pratt moved and Lambert seconded to adjourn. By unanimous vote, the meeting adjourned at 4:00 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President