



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

APPROVED MINUTES

July 30, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on June 23, 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), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Carol Maroni (Second Vice President), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Jeffery Wilson, and Mark Woodward.

Staff Present: Rebecca Towne (CEO), Andrea Cohen (Manager of Government Affairs and Member Relations), Laura Kinney (Project Planner), Cyril Brunner (Innovation and Technology Leader), Jeff Bickford (People and Culture Leader), Brittany Greene (Controller), and John Varney (Manager of Safety, Security, and Facilities)

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:01 noon.

AGENDA ITEM #2 – SAFETY MINUTE

Towne provided home summer maintenance reminders to replace filters for appliances (especially for AC units), clear vegetation around vents to ensure proper airflow, and schedule a chimney cleaning.

AGENDA ITEM #3 – MINUTES REVIEW

A director requested the 9 to 1 vote be recorded to agenda item 5 – AMI Project’s motion. Pratt moved and Lague seconded that the minutes of the regular Board meeting held on June 25, 2024 be approved with the abovementioned correction. The minutes were approved by unanimous vote.

AGENDA ITEM #4 – MANAGERS’ REPORTS

Brunner fielded questions from the Engineering and Operations report about a pilot project in the South Alburgh area where VEC is deploying sensors to explore low-voltage grid visibility in support of the growing electrification of transportation, renewable generation, and system operational improvements. The key project goals are grid management improvements, better electrical integrations, improved service reliability, and future grid readiness.

Brunner also noted that Firmatek, a drone-based company hired by VEC, has completed its annual assessment of 20 percent of VEC’s system, which includes 11,000 distribution and 1,480 transmission structures over 650 miles of line. VEC is awaiting the company’s final report. From this report, VEC will formulate an action plan to prioritize and resolve reliability issues.

A director asked questions about the internal equipment inspection process and expressed concern that one district had not started its inspections. Towne will follow up with Peter Rossi for an explanation.

Lague moved and Pratt seconded to go into executive session for the purposes of discussing a confidential legal matter. The motion passed, and the Board entered executive session at 12:23 pm.

Lague moved and Wilson seconded to exit executive session. By unanimous consent, the Board exited executive session at 12:25 pm.

In the Financial Services report, Greene noted that VEC missed a peak event in June because it was unable to shift the electric load due to maintenance reasons outside the company’s control. Overall, the company is currently on budget due to power supply savings, but it is experiencing rising transmission costs.

Greene also noted that the company is preparing for its 2025 budget, which recognizes increased property taxes across its service territory. She provided an example of one town, which had a 30 percent increase from last year, and that the VEC is working on measures to mitigate these expenses.

In the Member Services and Community Relations report, Cohen noted that the member survey is complete and posted on the company’s website. She commented that the overall member satisfaction rating is 8.49 on a scale of 1-10. This rating is lower than surveys from 2019-2023 but still within the ‘good’ range. She noted the lower result is most likely attributable to concerns about electric service outages and electric rates.

There were several questions and comments throughout the managers' reports.

AGENDA ITEM #5 – BOARD EFFECT TIPS AND TRICKS SESSION

Towne and Kinney provided an interactive training session on the Board's software program, which provides meeting materials and other resources.

There were several comments and questions throughout the presentation.

AGENDA ITEM #6 – BREAK

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

AGENDA ITEM #7 – STRATEGIC PLANNING PROCESS AND FIVE-YEAR PLAN OVERVIEW

Towne outlined the three key elements of VEC's strategic planning cycle; (1) the five-year strategic plan from which the Board prioritizes each year's goals. This plan is reviewed every three years, (2) the annual performance metrics, which are developed by Staff from the prioritized goals and presented to the Board for discussion and approval, and (3) the annual implementation initiatives, which the Staff develops to achieve the agreed upon metrics. At next month's Board meeting, the Board will kick off the annual process by prioritizing the goals for 2025. Next year, the Board, with experts from CFC, will examine the five-year strategic plan, ensuring the goals will be relevant for the next 5 years. This will be a multi-day planning session in the spring of 2025 in addition to the regularly scheduled Board meeting.

There were several questions from the directors throughout the presentation.

AGENDA ITEM #8 – 2024 PERFORMANCE METRICS CHECK-IN

Towne shared the company's progress at the mid-point of the year on the performance metrics established for 2024. Of the 24 measures, VEC is on track to meet or exceed 19 and will be challenged to meet 5 others. The company is progressing well in measures related to reliability, member engagement, employee development, and safety. For the challenges, VEC is experiencing increased transmission costs, storm costs, and increased interest expenses outside their control, threatening budget goals. VEC also faces challenges in meeting the strategic goals of managing distributed resources, such as batteries. Overall, the company is progressing well on member engagement but noted the overall member satisfaction rating, while still good, is experiencing a slight decline. The Board will review the member survey results at an upcoming communications committee meeting.

There were several questions from directors throughout the presentation.

AGENDA ITEM #9 – OTHER BUSINESS

There was no other business.

AGENDA ITEM #10 – ADJOURN

Pratt moved and Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 3:49.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President