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| VEC Logo Portrait Blue | VERMONT ELECTRIC COOPERATIVE, INC.  REGULAR MEETING OF THE BOARD OF DIRECTORS  UNAPPROVED MINUTES  January 25, 2022 |

As required under the VEC Bylaws, notice of this meeting was sent to each director on January 18, 2022 either via US Mail or by electronic means for those directors requesting such delivery.

# AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:02 pm via videoconference. Present were directors Paul Lambert (First Vice President), John Ward (Treasurer), Carol Maroni (Second Vice President), Jody Dunklee (Secretary), Tom Bailey, Ken Hoeppner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Operations Officer Peter Rossi, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, Chief Financial Officer Michael Bursell, Project Planner Laura Kinney.

# AGENDA ITEM #2 -- SAFETY MINUTE

Lambert noted that with the wintry weather, play it safe by keeping washer fluid full and mirrors and headlights cleaned.

# AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Worth moved and Pratt seconded that the minutes of the regular monthly Board of Directors meeting held December 21, 2021 be approved as presented.

The minutes were approved by unanimous vote.

# AGENDA ITEM #7 – – BOARD MEETING TOPICS

This agenda item was moved forward.

Goggin noted that Dunklee has developed a robust list of potential topics and discussion points for future Board meetings which will need to be prioritized. He mentioned grid modernization as a topic currently at the top of the list and invited feedback from Board members. There was some discussion about this and other priorities. Hoeppner noted that he would schedule a Governance Committee meeting in February to discuss Governance topics.

Director Carol Maroni joined the meeting. She asked about governance topics that were raised in a prior training on Board governance. Hoeppner will follow up. She also requested that the Board revisit the possibility to sponsor a high school student to travel to Washington to participate in an NRECA student program.

Goggin invited Board members to send him or Dunklee any additional topics.

# AGENDA ITEM #4 – WEATHER AND CLIMATE IMPACTS – WHAT IS COMING

Jay Shafer joined the meeting. Rossi noted that Shafer founded Northview Weather, which supports utilities in anticipating weather events. He also assists VEC in obtaining more granular information to plan for system storm resilience. Shafer noted that he is also a faculty member at the University of Vermont at Lyndon. His presentation to the Board focused on extreme weather and climate change and the implications of both for VEC. His information was derived from a study he prepared for VELCO on the risks posed by climate change related to extreme weather and its impacts on utilities.

He shared 40-year historical regional weather and climate data to set the baseline and show how shifts are already happening. He then presented projections of climate and weather impacts under various scenarios based on a forecast model that utilized the historical data, global peer-reviewed climate studies, and climate simulations. Under every case, temperatures are projected to rise, both across the globe and here in Vermont. As a result, weather hazard severity and frequency is projected to rise, although the type of weather risk and the severity of the storms varies by season. He shared the results of his 30-year forecast, based on trends, as follows:

* Vermont’s climate will continue to get warmer (about 2°F mean annual temperature) and wetter (+1” to +2”) through 2050.
* Seasonal Shifts
  + Fall and early winter storm season will continue to be the most vulnerable times of year for severe storm impacts.
  + Seasonal behavior will become more variable and inconsistent – more backward springs, late falls.
  + Peak system demand is shifting more to summer due to more extreme heat days and increased demand for cooling.
* Warmer and wetter climate results in increased outage potential from increasing wet snow and gradient windstorms.
* Increased outage risks do not appear to be a step function increase, but the most extreme rare storms events will be more intense.
* Growing season continues to be favorable for general vegetation growth, with variability highly dependent on seasonal soil water content.

There were numerous questions and discussion throughout the presentation.

# AGENDA ITEM #5 – CEO REPORT – 2021 ANNUAL PERFORMANCE PLAN

Towne provided a presentation on VEC’s accomplishments in meeting goals and metrics in the 2021 Annual Performance Plan. She reviewed each of the three strategic initiatives from the Five-Year Strategic Plan: lead with innovation, lead with people, and lead with responsibility. Under each initiative, she identified VEC’s activities in the key focus areas that the Board identified for 2021: leverage the grid, evolve the member experience, explore growth opportunities, lead on sustainability, focus on our members, engage an excellent workforce, maintain a secure and reliable grid, maintain financial strength, and invest in the community. Overall, VEC performed exceptionally well, achieving each goal while navigating the second year of the pandemic and still accomplishing a remarkable amount of work for VEC members.

There were several questions throughout the presentation.

# AGENDA ITEM #6 – BREAK

There was a break in the meeting from 2:03 to 2:13.

# AGENDA ITEM #8 – MANAGERS’ REPORTS

Towne noted that the state broadband board just announced grants available to CUDs and other providers up to $100 Million. The money should start flowing in the spring.

There were numerous questions of Towne and the senior staff as to various details included in their reports.

# AGENDA ITEM #9 – CEO ANNUAL ASSESSMENT – EVALUATION PROCESS

Brown outlined a process for the CEO annual assessment similar to the Board’s approach for Towne’s 2020 review. There will be a survey tool that assesses (1) Towne’s performance of the essential functions and key attribute that the Board identified as part of the hiring process; (2) the company’s progress on the annual performance plan goals and metrics; and (3) her progress on meeting individual 2021 goals set by the Board. The assessment would be via an online survey with results discussed at the February meeting. The consensus was that last year’s approach proved valuable. Towne noted that she especially appreciated the written comments.

# AGENDA ITEM #10 – CEO EVALUATION

Worth moved and VanWinkle seconded to go into executive session to discuss personnel issues. By unanimous vote, the Board went into executive session at 3:19.

The Board exited executive session at 3:44.

# AGENDA ITEM #11 –OTHER BUSINESS

There was no other business.

# AGENDA ITEM #13 -- ADJOURN

Hoeppner moved and Lague seconded to adjourn. By unanimous vote, the meeting adjourned at 3:45 pm.

Respectfully submitted:

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| Jody Dunklee, Secretary |  | Rich Goggin, President |