



VERMONT ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
APPROVED MINUTES
July 27, 2021

As required under the VEC Bylaws, notice of this meeting was sent to each director either via US Mail on July 22, 2021 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 12:33 pm at the Green Mountain Support Services offices. Present were directors Carol Maroni (Second Vice President), John Ward (Treasurer), Jody Dunklee (Secretary), Tom Bailey, Ken Hoepfner, Paul Lambert (First Vice President), Mark Woodward, Charlie Van Winkle, George Lague, Don Worth, and Bonnie Pratt. 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, Controller Caroline Mashia, and Project Planner Laura Kinney.

AGENDA ITEM #2 -- SAFETY MINUTE

Worth reminded people to be careful about kids' and dogs' toys as they can litter the floor becoming tripping hazards.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

President Goggin asked for a motion to approve the June minutes.

Lague moved and Bailey seconded that the minutes of the regular monthly Board of Directors meeting held on June 29, 2021 be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #4 -- ANNUAL PERFORMANCE PLAN -- MIDYEAR UPDATE

Rossi walked the Board through a presentation describing VEC's progress in meeting key performance metrics in the Annual Plan. Virtually all metrics are on target and several are well

ahead of what we had expected for mid-year. There were questions from the directors throughout the presentation. Rossi was asked to review and provide further information about growth rates for net metering on VEC's system at a future time.

AGENDA ITEM #5 – STRATEGIC PLANNING

Towne provided a comparison between the strategic planning process that the Board had adopted in 2018 and the process that is proposed going forward. The process is substantially similar but now also includes the Board's newly-adopted five-year strategic plan. Towne also proposed an adjustment to the timeline for the annual planning process to give staff more time to do its work before presenting the focus areas and key performance metrics for review by the Board.

There was discussion as to the relationship between the five-year strategic plan and the annual plan. It was agreed and understood that the Board has responsibility for the VEC mission, vision and ongoing five-year plan and staff has responsibility for developing annual plans based on those principles. Towne recommended the five-year plan be reviewed in depth every three years. In between the deep review, she proposed that the Board check in annually using a survey of risks and opportunities to make sure important issues are being addressed. Furthermore, staff will continue to propose key focus areas and key performance indicators for the upcoming year based on the five-year plan and provide it to the Board to review and approve. Staff will then develop and execute implementation strategies to meet the KPIs and report periodically on their progress.

There were questions from directors as to details of the process and the relationship of the planning process to budgeting. Towne noted that there is flexibility to adapt and change the budget as needs evolve. She also stated that the new timeline for the annual planning process would not hinder this budget flexibility.

Towne then led the Board in a discussion as to whether the "core competencies" that are currently included in the five-year plan are still needed and if so should they be updated. There was a suggestion that it might be too soon to make any changes given the work that will be done on mission and vision in the near future. Some directors noted that the core competencies are basic to our business, but perhaps are more like guiding values than operating directives. Several directors also noted that there were some important initiatives that are not reflected in the core competencies

The consensus was to revisit this question as part of the mission/vision work with a consultant.

Towne shared the survey results of strategic risks and opportunities identified by the Board and senior management. For the most part, both groups were aligned. In addition, the survey did not identify any issues that were not already included in the five-year strategic plan. Towne noted that she is not suggesting changes to the five-year plan at this time.

Finally, Towne proposed key focus areas for the 2022 annual plan. There were questions and suggestions throughout and general support for the proposal.

Towne agreed to update the strategic plan flow chart to reflect recent changes to the process.

AGENDA ITEM #6 –OFFSITE INNOVATION TOPICS

Towne noted that the Board has a scheduled full-day offsite in September and suggested that the day focus on three topics: electric vehicles, optimizing the grid, and peak management. VEC plans to invite speakers as well as other VEC staff. There was discussion about the topics proposed. There was a suggestion to consider a topic and a speaker on energy justice. Regarding the EV topic, there was a suggestion to get information as to what auto manufacturers are planning.

There was a break in the meeting at 3:15 and the meeting resumed at 3:45.

AGENDA ITEM #7 – MANAGERS' REPORT

Member Services Report

Cohen provided an update on VEC's arrearages levels and state money available to assist members. Staff has started to do promotion and outreach, but the state has not yet provided access to or training on their online assistance request portal. The state program should be finalized in August. Cohen encouraged Board members to spread the word that help is available.

Safety, Facilities and Security

Varney answered several questions about the details in his report. A director noted the value to employees of VEC's robust wellness program.

Financial Services Report

Mashia responded to various questions about some of the details in the financial report.

Technology Engineering and Operations

Rossi fielded questions about projected increases in the make-ready budget. A director asked about amounts available to support broadband, and Towne responded that there was \$150,000 available from the state, \$250,000 from RDOF, and unknown amount from the federal infrastructure bill currently under consideration in Congress.

General Counsel

There were a couple of questions about details in the General Counsel's report.

CEO Report

Hoepfner moved and Ward seconded to go into executive session to discuss a confidential potential business transaction. The motion passed by unanimous vote and the meeting entered executive session at 4:05 pm.

Lague moved and VanWinkle seconded to exit executive session. The motion passed by unanimous vote and the executive session concluded at 4:24 pm.

AGENDA ITEM #8 -- ANY OTHER BUSINESS

At the request of a director, Brown updated the Board on a member complaint about a "dual pole" line along Route 105, caused when VEC reconstructed its distribution line and Consolidated Communications elected to continue to use the existing line. It was noted that such dual lines exist throughout the state.

AGENDA ITEM #9 -- ADJOURN

Ward moved and Lague seconded that the meeting be adjourned.

The motion was approved by unanimous vote.

The meeting adjourned at 4:28 pm.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President