

### CEO Update: The Mission, in an Era of COVID-19

By Rebecca Towne

Many organizations have a mission statement, but when crisis hits, that mission statement is cast into especially sharp relief.

At VEC our mission is to provide safe, affordable and reliable energy services to our members.

This mission provides purpose to our work and guides how we serve our members. We aim every day to live by this mission as a team and in all of our decision-making.

Serving this mission has never been as critical as it is now in guiding our response to the COVID-19 virus. Every day we are working to provide critical service to our members, keep our employees safe, and consider the short-term and long-term affordability of electricity for our members – all in the face of an unprecedented pandemic that is bringing not only health challenges but economic pain to our region.

Given how quickly the COVID-19 situation is evolving, I'm sure the circumstances will have changed by the time you read this. Already we have made many operational changes, and each day brings more. What I want to share here is how

we are approaching our decision-making and a commitment that we will always keep our mission of safe, reliable, affordable service to you as our guiding star in good times and bad.

Most importantly, we are here to keep the lights on. We are built to respond in emergencies and are there for you during snow and wind storms. We are there for you during these times of uncertainty and social distancing with the same dedication and resolve.

You may already be aware that in mid-March we suspended disconnection practices through the end of April. We continue to work with our regulators and other utilities to determine next steps beyond April. Our billing practices continue and we work with members daily to work out payment arrangements during these tough financial times.

We have an excellent online option for transactions with VEC, called SmartHub. Members who use SmartHub tell us it makes their lives easier. You can track your usage, pay your bill, and sign up for outage alerts all from your computer or mobile device. Every day the last few weeks I have seen people use technology to replace their usual inperson way of doing things. SmartHub is a robust tool and I encourage you to try it out if you aren't

already using it. (Speaking of online communications, if you would like to replace your hard copy of Co-op Life with an email link to the online version, please email support@vermontelectric.coop.)

As for our operations, we have implemented significant social distancing practices. Over 70% of our workforce is able to do their work remotely, and we have provisioned them to provide responsive service to you. We have put in place practices to reduce in-person interaction among members of our field crews and with the public, even while we conduct critical infrastructure work and outage response.

Some non-essential service work, like service upgrades or certain new connections, will be delayed as we conform to mandated restriction. We do hope our members understand and support our efforts to keep our community safe.

We've received a lot of wonderful, heartfelt support from our members during this very challenging period – and I want you to know we really appreciate it. Together, we will get through this – the VEC community is strong and VEC is here for you.

Please stay safe, look out for each other and thank you for doing your part in support of our shared response to COVID-19.

# Financial Highlights

By Michael Bursell, Chief Financial Officer



Michael Bursell

2019 concluded for VEC with results consistent with our planned budgets. 2019 also marked the sixth straight year that VEC operated with rates that were approved in 2013. We had been able to hold rates level during that time period despite the upward pressure from contractual power cost increases, shorter trimming cycles

that increased vegetation maintenance costs, net metering (which requires utilities to compensate producers at rates above market prices), and cost of living adjustments. Since 2011, our average annual rate increase has been less than one percent (0.8 percent). We have included a chart of all VEC rate increases over the past ten years.

Unfortunately, for 2020 we were not able to offset the impacts from the upward cost pressures any longer and requested our first rate increase since late 2013. The request was a modest 3.29 percent increase and was implemented beginning on January 1, 2020 subject to regulatory approval. In 2020, we also plan to increase our investments in capital infrastructure, which will allow us to maintain and improve our electrical system thereby enhancing reliability.

# Patronage capital, a co-op advantage

In the cooperative model, our customers are also our owners. One way this ownership is reflected is in patronage capital, which is a member's share of the money remaining after VEC pays its operating expenses. It is allocated to members based on how much they were billed for electric service that year. When the financial condition of the cooperative is strong enough, the board of directors may decide to return a portion of patronage capital to the membership. In 2019, for the seventh straight year, VEC returned patronage capital to members. Since 2013, VEC has returned over \$6 million in patronage capital to members, which is equivalent to a one-time rate decrease of nearly eight percent. Remarkably, the amount of patronage capital retired is almost as much as the rate increases over the past ten years making the equivalent rate virtually the same over the ten year period.

VEC bylaws, along with Internal Revenue Service regulations, govern how patronage capital must be distributed. The bylaws require that VEC's balance sheet must show a minimum equity level of 40 percent before patronage capital can be returned. Because VEC exceeded this important milestone, the board of directors developed a plan to return a portion of this equity to members, while still maintaining the minimum 40 per-

cent equity balance. It's important for members to understand that, to protect the co-op's financial stability, patronage capital cannot be returned all at once. Patronage capital cannot be applied to electric bills or cashed in until the board of directors determines that VEC's financial condition is strong enough and specifies which years will be returned. When this happens, VEC members in good standing who were members during the selected years will receive a portion of their patronage capital balance, as a bill credit for active members and by check for inactive members.

Every year, VEC updates members' bills with their new patronage capital balances. Very soon we will be reporting an update to members' patronage capital balances to reflect the financial results from 2019.

# Using member money responsibly

Across the company, VEC employees work hard to provide good value to members. We are proud of the work we've done to improve reliability while keeping rates stable in the face of significant upward cost pressures, and we will continue to strive to maximize value for our members in an era of change in the electric industry. If you are interested in additional financial information, VEC's financial reports can be found on our website at www.vermontelectric.coop/financial-reports.

# **Candidates for VEC's Board of Directors**

### West Zone — TERM EXPIRES 2024

Alburgh, Bakersfield, Belvidere, Berkshire, Bolton, Cambridge, Eden, Enosburg, Essex, Fairfax, Fairfield, Fletcher, Franklin, Georgia, Grand Isle, Highgate, Hinesburg, Huntington, Hyde Park, Isle LaMotte, Jericho, Johnson, Milton, Montgomery, Morristown, North Hero, Richford, Richmond, Sheldon, Shelburne, South Hero, Starksboro, Stowe, St. Albans Town, St. George, Swanton, Underhill, Waterville, Westford, Williston

### Jeff Forward - Richmond

For over 40 years my wife Patty and I have lived on a 20-acre homestead in Richmond. We installed the first group net-metered solar systems in the state on our farm and now five of our neighbors as well as our farm are offtakers. I was an energy efficiency specialist in the Vermont State Energy Office in the 1990s and have been a renewable energy and energy efficiency consultant for over 25



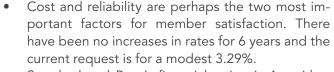
years. I have been the Richmond Town Energy Coordinator since 1992 and was one of the founding members of our town energy committee. I served on the board of directors of Renewable Energy Vermont for six years, five of them as board chair. I currently serve on the Vermont Systems Planning Committee, which oversees the development of the state's long-range transmission plan. I also served on the Mount Mansfield Union School Board for over ten years.

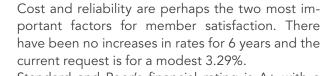
I am running for VEC Trustee because I feel my experience could be helpful to the Coop as we plan for the future. I believe our house is on fire in terms of climate change and we need to do more and do it faster in order to reduce the impacts. VEC is doing much in this area, but much more can and must be done. The good news is that by addressing climate change we can provide more services to members and also minimize rate and bill impacts.

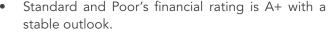
I am asking for your vote and I look forward to serving. forward@gmavt.net, 802-735-3026

### Ken Hoeppner – Jeffersonville

As I seek reelection to the VEC Board of Directors, I would like to provide a profile of VEC performance.







- The current equity level allows a return of patronage capital to the membership.
- Reliability (keeping the lights on) has improved dramatically over the
- A strong senior leadership team is supported by an engaged employee
- The Department of Public Service and PUC have great respect for VEC competence.
- Legislative requirements are being met or exceeded.
- VEC has applied for a grant to pursue the feasibility of broadband.
- The strategic planning process has received more structure and focus.
- The current Board of Directors represent a broad diversity of industry and provides healthy and respectful debate.
- VEC is responding to the threat of Corona virus with extraordinary precaution and prevention measures.

The bottom line...VEC is a well managed business.

My background, primarily obtained through employment at IBM, encompasses engineering, planning, finance, and auditing which includes management positions in those assignments. In addition, I believe in community service and have served in positions at Lamoille County Mental Health, Lamoille Valley Rail Trail, Vermont Horse Council and the Advisory Board of Cambridge Christian Fellowship. If elected, I will draw on these various experiences to continue expressing conservative oversight on the VEC Board of Directors.

### Bill Karstens – Alburgh

The VEC has experienced much change and many benefits since the 44 years ago when my wife, Judith, and I first became members. For many of those years I was a Trustee, and served as chair of the Audit, Contract, and Policy Committees, as well as on the negotiating team leading to our successful bankruptcy.



My wish is to be an active part of the process as we

enter yet another era of development, including the advent of electric vehicles.

I believe that if we can find ways to encourage increased power usage during off peak hours our rates may become closer to the state averages, instead of at or near the top.

If I am in a position to help in this regard, I offer my successful experience in economic development, government and community relations.

### Voting is an important way to exercise your voice as a member of the co-op!

Co-op members elect local representatives to serve on VEC's twelve-member board of directors. The board sets policy for the co-op and is expected to represent the interests of the members.

The 2020 election will open on May 1 at noon and close on May 20 at noon. Your ballot, along with voting instructions, will arrive by mail after May 1. If you need help voting, please contact us at 1-800-832-2667 or support@vermontelectric.coop.

### East Zone — TERM EXPIRES 2024

Albany, Averill, Averys Gore, Barton, Bloomfield, Brighton, Brownington, Brunswick, Canaan, Charleston, Conventry, Craftsbury, Derby, Ferdinand, Glover, Greensboro, Guildhall, Holland, Irasburg, Jay, Lemington, Lewis, Lowell, Lyndon, Maidstone, Morgan, Canada, Crasburg, Canada, Canada, Crasburg, Canada, Canad Newark, Newport City, Newport Town, Norton, Sheffield, Sutton, Troy, Warners Grant, Warren Gore, Westfield, Westmore, Wheelock

### George Lague - Derby

Hello,

My name is George H. Lague and I am seeking reelection to the board of VEC. I worked for Citizens Utilities for sixteen years as an engineer and then at Swanton Village as their manager for twenty three years. At Swanton I managed the electric, water, and wastewater systems as well as the police, fire and street departments. I am interested



in the position on the board to offer my experience in the utility business. As a board member you are part of a team of people whose job is to provide guidance and over sight for the manager at the co-op. The main mission of the coop is to provide safe, affordable, reliable energy services to its members. The electric business is a rapidly changing business and the co-op must continue to change and provide the needs of the membership. I am a native Vermonter born in Newport. My wife and I have both lived in Vermont most of our lives. We will celebrate our fiftieth anniversary this summer. We have three daughters that have blessed us with eight grandchildren and now with four great grandchildren. Thank you for your consideration.

Respectfully, George H. Lague

### Normand Raymond - Newport

Cell # 774-269-7092, email: noray\_7@yahoo.com Why are you interested in becoming a VEC director?

My interest in becoming a VEC director is based on wanting to serve my community and aid in guiding how we manage our resources with a focus on sustainability. Want to promote stewardship of our resources for the benefit of our community and protection of the environment.



What experience, education, or expertise would you bring to the role of director?

In my role as director I bring 13 plus years in power generation with my previous employer (Entergy) both in Vermont and Massachusetts. Have also 30 plus years' experience in automation and control.

What issues do you believe are particularly relevant or critical to VEC at this time? Relevant issues to the VEC I believe are stability of the grid, alternate sources for power storage to compensate for varying power sources such as wind and solar. Also, what would be the viability of implementing broad band communications.

What else would you like VEC members to know about you?

Was born, raised and went to high school in Vermont. Have recently moved back to Newport Vermont with plans to stay for many years to come.

Being raised and living in smaller communities and having worked and lived in larger communities I can appreciate the concerns and challenges of the North East Kingdom.

Together as a team we can find solutions that reflect our uniqueness.

### District 7 — TERM EXPIRES 2024

Alburgh, Grand Isle, Isle LaMotte, North Hero, South Hero

### Rich Goggin – South Hero

For the past 4 years it has been an honor for me to represent VEC Coop members from Alburgh, Grand Isle, Isle LaMotte, North Hero & South Hero, VEC District 7.

Last May I was elected President of the Board of Directors. As President of the Board, I am proud of VEC's unwavering commitment to what is best for its Coop members:



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keeping the lights on, fiscal responsibility and commitment to renewable energy sources: all while minimizing the impact of electric rates on our members.

The electric power environment is evolving quickly. It has moved from a 'poles and wires' business to one that requires partnerships, adoption of innovative solutions and enablement our Coop members to understand and manage their energy use.

Renewable power generation at the commercial and homeowner level has changed the way the grid operates. New technology such as battery storage, electric vehicles, and smart meters/appliances are changing how the power is consumed. VEC is a leader in helping our members understand, manage and consume power in this new landscape. As a member of the Board of Directors I will work to continue VEC's leadership while maintaining our system reliability, fiscal responsibility and respect for our environment.

I would like your vote in order for me to continue this work. Please vote Rich Goggin for the VEC Board of Directors, District 7.

Feel free to contact me with any questions or concerns at district?@vermontelectric.coop or call me at 508-439-9166.

### Bylaw Change Also on the Ballot

In addition to the board election, members are being asked to vote on one bylaw change to allow directors who participate in a regular board meeting via phone or video conference to vote and receive compensation for that participation.



## **Vermont Electric Cooperative**

# 82nd Annual Meeting of the Members and 2020 Election

Because of the COVID-19 pandemic, we will not be holding an in-person Annual Meeting. Members can join us on their computer or mobile device through Zoom. There is also the option to call in and listen.

### The Annual Meeting will occur at noon on May 26, 2020 for the following purposes:

- 1. To determine the existence of a quorum.
- 2. To hear or to waive the reading of the notice of the meeting and the proof of mailing.
- 3. To hear or to waive the reading of the unapproved minutes of the previous meeting of the members and to take necessary action thereon.
- 4. To hear reports of the officers.
- To certify the vote about whether to amend the bylaws as presented in this notice.
- 6. To certify the election of directors for District 7, West Zone At-Large, and East Zone At-Large.
- 7. Adjournment.

Please join us on your computer or mobile device at:

https://zoom.us/j/299055622

Or call toll free into:

877-853-5247 or 888-788-0099

ID: 299 055 622

Questions? Please email us at annualmtg@vermontelectric.coop.

# Technology, Engineering, Operations 2019 Year in Review

By Peter Rossi, Chief Operating Officer



Last year brought several challenges and many successes across the co-op. Regardless of the task, in 2019, VEC employees executed on our mission to serve our members with safe, reliable, and affordable energy services. In the Technology, Engineering, and Operations

area, this mission is front and center in everything that we do. We had a very productive year and achieved many ambitious goals.

I invite you to read our Integrated Resource Plan (IRP), filed with the Public Utility Commission in July 2019 and available on our website here: www.vermontelectric.coop/integrated-resource-plan. This plan is the result of a year-long effort to present a comprehensive view of our transmission, distribution, control, and technology systems. Included are many detailed financial assessments and engineering models focused on identifying the least-cost, most reliable solutions and strategies. Our electrical systems are complex and become even more so every day. The IRP helps chart our path to ensure excellence as we balance priorities and investments while adapting to a rapidly changing future.

## Comprehensive Maintenance

In 2019, we successfully concluded the first year of our new, more robust and comprehensive maintenance program across 20 percent of our entire system. This program includes a system assessment that involves gathering accurate data on all aspects of our transmission and distribution system. We populate our mapping system with this information and use it to develop better engineering models, system reports, and maintenance schedules. This more accurate information ultimately helps our em-



In 2019 VEC crews replaced 170 poles, including this one in Franklin.

ployees serve our membership better.

Also last year, we conducted vegetation maintenance on more than 220 miles of distribution and transmission rights-of-way, removed more than 3,500 danger trees, and conducted our targeted annual herbicide application to limit vegetation growth. All this work has helped prevent outages, but also makes it easier and faster to restore outages when they do occur.

In addition to our comprehensive maintenance efforts, we invested over \$7 million into our distribution system, completing several voltage conversions to support load growth, upgrading lines with coated conductor or "tree wire" – which helps reduce/prevent outages - replacing aging overhead and un-

derground wire, and various other improvements. Through the course of the year, we designed more than 1,100 separate projects including procuring dozens of easements and permits, adding 256 new services, and replacing 170 poles. We also invested another \$1 million into substation assets and maintenance, which included upgrading our Advanced Meter Infrastructure (AMI) to enhance capabilities and provide more accurate and real-time metering data through our SmartHub system – especially during outages.

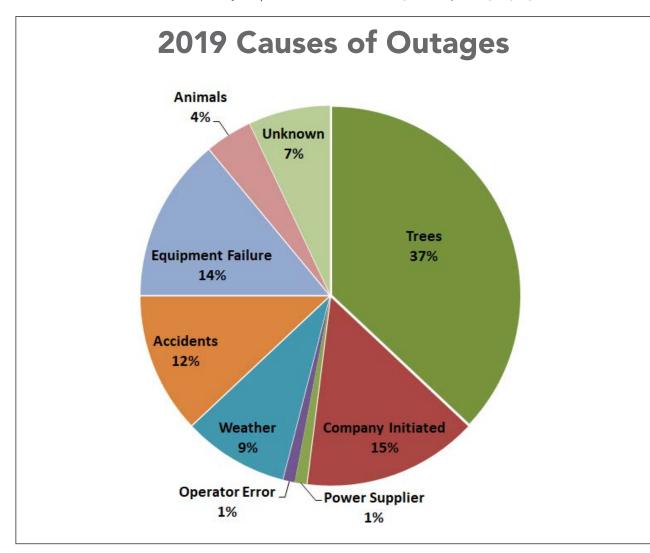
# Assistance to a municipal utility

In addition to managing our own system, VEC also supplied engineering and operation services to Barton Electric throughout 2019. We were able to leverage our expertise to provide Barton residents with safe and reliable on-call outage services, designs and estimates, construction, inventory assessments, and process assessments for revenue recovery. We are happy to help others when needed and it shows the strength of Team Vermont!

On the technology side, in 2019 we improved our ability to support remote and mobile work. Leveraging technology is a cornerstone of our innovative approaches to provide the ability to work away from the office (in the field or at home) – ultimately providing VEC employees the tools to be more efficient and responsive to our members. Of course, we provide this technology through a framework of constant and continued investment in systems and equipment to make us less vulnerable to cyberthreats and attacks.

Finally, VEC is now participating in AT&T's First-Net system, designed for first responders and those providing critical services. This system provides several features for our employees during a major event to improve safety, communications, and broadband connectivity.

While we are celebrating our successes from 2019, we recognize Vermont, our country, and the world are going through some very difficult times. That said, we will work tirelessly to ensure the lights stay on. I am proud to support the employees that make the "magic" happen every day. I wish you and yours the very best in these trying times.



Above is a snapshot of the causes of outages in 2019.

# Children, Local Journalism, and Vermonters in Need Receive Support Through the VEC Community Fund

Non-profit organizations dedicated to improving the lives of young children, supporting local journalism and helping Vermonters who have financial emergencies all received support through a recently-issued round of grants awarded by the Vermont Electric Cooperative's Community Fund.

The VEC Community Fund is a voluntary program supported by VEC members who choose round up their electric bills, donate their patronage capital dollars, or make one-time donations to the fund. The fund then makes grants to local organizations that support economic security, energy education, emergency and disaster relief, and community development.

"Once again, we are delighted to be able to fund these local projects right here in our community," said Charlie Van Winkle, VEC board member and chair of the Community Fund committee. "If you are a VEC member and have not signed up to support the fund, please consider doing so – rounding up your electric bill is virtually painless, and each month you are joining hundreds of fellow VEC members who are also chipping in to help non-profits in the area," he said.

Specifically, the recent grants were awarded to the following organizations.

- Hinesburg Resource Center's Friends of Families for the coordination of playgroups in the Hinesburg area so families with young children can connect.
- Community News Service/Hinesburg Record to support the hiring of a professional editor to support students to provide substantive multimedia content for the local news outlet.
- Dailey Library in Derby for the purchase of special books and storytelling kits to help the children's librarian's work at the library and for her visits to local childcare facilities.
- Catholic Charities to support efforts to provide emergency financial help to individuals and families during unexpected financial events in their lives.
- Joshua House to support needy families in northern Vermont avoid homelessness.

Applications for the Community Fund are on a rolling basis, and grants are issued quarterly. If you know an organization that could benefit from the support of the Community Fund, or you want to support the fund yourself, you can learn more here: https://www.vermontelectric.coop/community-resources/community-fund or call VEC Member Services at 802-635-2331 or 800-832-2667.



Every year the Hinesburg Community Resource Center – a recipient of a recent VEC Community Fund grant – hosts a volunteer-cooked Welcome Baby Brunch for families with babies born in the past year so the families can socialize and meet other families with babies. Here, an older sibling of a new baby enjoys a planting project at a recent brunch. Photo courtesy Hinesburg Community Resource Center.



# smart hub - Convenience! 100 percent.

That's how one VEC member recently described our online portal SmartHub. SmartHub allows you to track your usage by hour, get bill notifications, schedule payments, and even pay your bill with just a few mouse clicks.

"We love SmartHub," said Patty Titus of Hinesburg, another VEC member who uses the tool. "It lets us see our usage so we can make changes in how we use electricity so we can lower our bills," she said. "It's also easy to pay your bill through the portal, and we love the outage feature too."

You can get access to SmartHub on the homepage of VEC's website by clicking on the SmartHub button. If you were already enrolled in eBill, our previous online payment service, simply enter the same e-mail and password that you've always used. If you are a new user, click on the new user option on the SmartHub homepage. To create an account, you will need your account number, the last name of the first person listed on the account (or business name), and e-mail address. If you have questions or need help signing up, please call VEC's Member Services Department at 1-800-832-2667.

Here are some comments about SmartHub from other members that we recently received on Facebook:

"I love it. So easy to do anything I need to. Pay bills, look at my usage, report an outage, and more!"

"Use it for outages, bill payment and historical comparison around usage."

"So easy to pay your bill and look at your usage!"

# Communications Can Save Headaches, Costs, as We All Manage COVID-19

In an effort to assure VEC continues to deliver safe, affordable and reliable electricity to all of our membership, especially during this challenging time, we'd like to remind members of their responsibility to communicate with VEC before altering or modifying any electric service equipment.

Specifically, members "shall give proper notice to VEC of any increase or decrease proposed in load of 100 amps or greater," according to VEC's Electric Service Requirements Manual. In addition, members and contractors are prohibited from modifying service equipment without the notification and consent of VEC, and, when required, the appropriate state or local Inspection authority.

Examples of modifications that require prior notification and consent are:

- Replacing, or adding, a main panel for the purpose of increasing capacity.
- Other actions that may create safety concerns, National Electrical Safety Code (NESC) violations, equipment overloads, or be contradictory to these VEC service requirements or VEC tariffs.

It's important to remember that if a member fails to give proper notice to VEC of changes, they're liable for any damages to meters, transformers, wires, and associated VEC equipment resulting from the increased or changed load. These costs will be in excess of any costs the member would have borne had they contacted VEC before making the changes.

As a member-owned cooperative, one of our primary responsibilities is keeping costs down for all of our members. In this case, that means unauthorized and un-accounted-for alterations to the system, such as those noted above, can impose unfair costs on our membership as a whole. In short, the better communication we have with individual members about changes in service, the better VEC can manage costs for all members. This is doubly true during times like this when VEC work schedules are constrained.

If you would like to check with us about modifying a service, or have other questions about your service, please contact VEC at 1-800-832-2667 or 802-635-2331.

# How to Fix a Wet, Damp, or Leaky Basement



Snowmelt and rainfall can spell trouble for a basement. But assuming you haven't had a bona fide flood, there's plenty you can do yourself to mitigate leaks, dampness, condensation, even standing water. Fixing the issue will also help you ready your home for energy efficiency upgrades, like air sealing and insulation. First, identify the type of water issue you have. Most fall under one of the following three categories.

### 1. Runoff or surface water

Does your basement get wet only when you have a serious storm or snowmelt event? Then you've got a runoff problem, and the place to start is outside. If you fix the issue at the source, then there's a good chance you won't have to do much inside your basement.

### 2. Condensation

Two things cause condensation: cold surface temperatures and elevated air humidity. So to reduce it, you have to warm up your basement (see "What about insulation?") or dry out the air.

### 3. Subsurface water

So far, we've covered ways to keep out surface runoff (rain, snowmelt) and reduce interior humidity and condensation. But if those don't work and you still have water seeping in below grade, then you'll have to deal with the water where it is—inside. In this scenario, solutions can get more complex and may require assistance from a pro.

### What about insulation?

To fully realize the benefits of air sealing and insulating your home, we recommend you deal with any sources of moisture or water in your basement first. Once you've done that, applying foam insulation and sealing windows and cracks will make a huge difference in warming up and drying out your basement, which will also eliminate most condensation issues. In Vermont, foundations are typically made of fieldstone or concrete (either poured or blocks). Which type you have dictates what insulation material you or your contractor use.

https://www.efficiencyvermont.com/tips-tools/guides/wet-basement

## **VEC Has Vehicles for Sale**

VEC has four Ford vehicles for sale – two F250s, one F150, and one Escape. VEC is accepting sealed bids for these vehicles until 4 pm on Friday, May 22. All vehicles have high mileage and may be in need of mechanical /body

work. Vermont inspection stickers have run out on all vehicles listed.

### Vehicles located at the Derby Warehouse:

- 2008 Ford F250, 4X4, (VIN #D76149). Mileage is 207,877 (Co-op #55)
- 2010 Ford F-150, (VIN #B69268). Mileage is 181,716 (Co-op #62)

### Vehicles located at the Johnson Warehouse:

- 2011 Ford Escape, 4X4 (VIN #A65425). Mileage is 170,413 (Co-op #67). This is a parts vehicle. It has a broken front strut and will need to be towed.
- 2013 Ford F-150 4X4, (VIN #D48961). Mileage is 212,000 (Co-op #75). This vehicle has transmission issues.

If you submit a bid, please indicate the item number of the vehicle on the outside of your sealed bid. All bids should be submitted to the attention of the Purchasing Agent at Vermont Electric Co-op, 42 Wescom Road, Johnson Vermont 05656.

If you have questions about the vehicles or would like to make an appointment to inspect them, please call Mark Bennett at 802-730-5134 (for vehicles at the Johnson Ware-



house) or Larry Hall at 802-380-3404 (for vehicles at the Derby Warehouse.)

VEC reserves the right to reject any or all bids which, in its sole judgment, finds unacceptable. All vehicles/equipment are sold on an "AS IS" basis, with no warranty expressed or implied. Risk of using any of the above vehicles is completely assumed by the purchaser.

## **VEC 2019 Financial Statement**

### VERMONT ELECTRIC COOPERATIVE, INC.

Balance Sheet
Year ended December 31, 2019

Assets		2019
Electric plant, at cost:		
Electric plant in service	\$	176,223,429
Less accumulated depreciation	_	53,184,609
Net electric plant in service		123,038,820
Construction work in progress	_	2,438,870
Net electric plant	_	125,477,690
Current assets:		
Cash		700,955
Notes receivable		_
Accounts receivable, less allowance for doubtful accounts of		
\$74,812 in 2019		7,077,187
Unbilled revenue		4,955,045
Inventories		5,144,283
Prepaid expenses	_	507,858
Total current assets	_	18,385,328
Other assets:		
Nonutility property		65,697
Other investments		42,976,179
Deferred charges	_	_
Total other assets		43,041,876
Total assets	\$	186,904,894
	•	
Liabilities and Equity	-	2019
	-	2019
	\$	<b>2019</b> 80,417,770
Equities:	\$	
Equities:  Patronage capital assignable	\$	80,417,770
Equities:  Patronage capital assignable  Other equities	\$	80,417,770
Equities:  Patronage capital assignable  Other equities  Contributions in aid of construction  Net equity	\$	80,417,770 1,569,955
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments	\$	80,417,770 1,569,955 — 81,987,725
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments	\$	80,417,770 1,569,955 — 81,987,725 82,443,707
Equities:  Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742
Equities:  Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742
Equities:  Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities:	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt Current installments of capital lease obligations	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904 22,439
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt Current installments of capital lease obligations Revolving debt	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904 22,439 3,950,878
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt Current installments of capital lease obligations Revolving debt Accounts payable	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904 22,439 3,950,878 6,929,557
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt Current installments of capital lease obligations Revolving debt Accounts payable Customer deposits	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904 22,439 3,950,878 6,929,557 1,723,522
Patronage capital assignable Other equities Contributions in aid of construction Net equity Long-term debt, excluding current installments Obligations under capital lease, excluding current installments Deferred Compensation Plan Current liabilities: Current installments of long-term debt Current installments of capital lease obligations Revolving debt Accounts payable Customer deposits Deferred credits	\$	80,417,770 1,569,955 — 81,987,725 82,443,707 134,742 273,231 4,629,904 22,439 3,950,878 6,929,557 1,723,522 1,649,931

Total liabilities and equity

#### VERMONT ELECTRIC COOPERATIVE, INC.

Statement of Operations
Year ended December 31, 2019

2019

		2019
Operating revenue	\$	77,145,301
Less revenues subject to refund	_	_
Total operating revenue	_	77,145,301
Operating expenses:		
Purchased power		35,560,277
Transmission:		
Operations		13,264,389
Maintenance		286,538
Distribution:		
Operations		6,580,646
Maintenance		7,291,957
Customer accounts		2,573,871
Administrative and general		3,980,181
General plant maintenance		263,721
Depreciation and amortization		5,966,284
Taxes		761,504
Other deductions, net	_	75,280
Total operating expenses	_	76,604,648
Income from operations	_	540,653
Other income (expense):		
Gain (Loss) on sale of fixed assets		89,491
Other income (expenses)		1,967,557
Interest and dividend income		4,989,882
Other capital credits & dividends	_	554,671
Total other income, net	_	7,601,601
Interest charges:		
Interest on long-term debt		3,573,997
Other interest	_	183,195
Total interest charges	_	3,757,192
Net income	\$_	4,385,062

### VERMONT ELECTRIC COOPERATIVE, INC.

Capital Spending (System Improvements)
Year ended December 31, 2019

Capital Spending

New Construction, System Improvements	11,626,602
Less Contributions in Aid of Construction	1,948,376
Net Investment in Utility Plant	9,678,226

2019

### Spring Safety Reminders

This time of year (perhaps especially so this year) many of us are eager to get out and start outdoor projects around our homes. During spring we tackle lots of yard cleanup, tree trimming, repairs, plantings, painting projects and other work. Please remember to take things slowly and safely.

Here are a few safety tips for specific

- Digging? Call first. When digging (i.e. for tree planting, fence installation, digging any sort of trench) call DigSafe (Call 811) beforehand and make absolutely sure there are no underground service lines in the area.
- Use caution cutting trees. Before cutting trees, evaluate what could happen if a tree or branch falls in an unintentional direction. Call VEC for trees that could come down on lines.
- Be aware of electric lines. Ensure that all overhead outdoor work, like roof work, house painting or repair is done at least 15 feet from any service lines. When clearing vines, shrubs, or brush near your home, take care not to cut or come into contact with electrical lines that could be concealed in the vegetation.
- Clear the lawn before mowing. Before starting your lawn mower, inspect the lawn for foreign objects like stones, sticks, children's or pet toys, and remove them before starting to mow. It's often easier and safer to move lawn furniture, grills, hoses, and other larger objects off the lawn before starting to mow so you don't have to work around these objects, which can be awkward and risky.
- Take care with ladders. Before raising or extending any kind of ladder (metal pole, or other equipment) capable of reaching a power line, check in all directions for power lines. Keep ladders at least 15 feet away from lines.

Please enjoy this time of year, and

# Board of Director's Attendance at Regular Monthly Board Meetings

\$ 186,904,894

April 2019 to March 2020

In accordance with VEC's Board Policy B2 (Duties and Responsibilities of the Board of Directors), director attendance at regular meetings is reported to members annually. Additional information regarding director fees and expenses is available upon request and on VEC's website at www.vermontelectric.coop/financial-reports.

### Director Attendance at Regular Monthly Board Meetings - April 2019 to March 2020

Director	04/29/19	05/28/19	06/25/19	07/30/19	08/27/19	09/24/19	10/29/19	11/26/19	12/17/19	01/28/20	02/24/20	03/30/20
Bailey, Tom	absent	X	X	X	X	X	X	X	X	X	X	X
Carswell, Dan	X											
Dunklee, Jody		X	X	X	X	X	X	X	X	X	X	X
Goggin, Rich (President)	X	X	X	X	X	X	X	X	X	X	X	X
Hoeppner, Ken	X	X	X	X	X	X	X	X	X	X	X	X
Lague, George	X	X	X	X	X	X	X	X	X	X	X	X
Lambert, Paul (1st VP)	X	X	X	X	X	X	X	X	X	X	X	X
Maroni, Carol (2nd VP)	X	X	X	X	X	X	X	X	X	X	X	X
Van Winkle, Charlie	X	X	X	X	X	X	X	X	X	X	absent	X
Ward, John (Treasurer)	X	X	X	X	X	X	X	X	X	X	absent	X
Westman, Rich	absent	X	X	absent	X	absent	X	X	X	absent	X	X
Woodward, Mark (Secretary)	X	X	X	X	X	X	X	absent	X	X	X	X
Worth, Don	X	X	X	X	X	X	X	X	X	X	X	X





Vermont Electric Cooperative Inc. 42 Wescom Rd. Johnson, VT 05656

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### Inside Spring 2020 Co-op Life

CEO Updatepg. 1
Financial Highlightspg. 1
Candidates for VEC Board of Directorspg. 2
82nd Annual Meetingpg. 3
Technology, Engineering Operations 2019 Year in Reviewpg. 4
VEC Community Fundpg. 5
Convenience with Smart Hubpg. 5
Before Altering Equipment, Communicate with VECpg. 6
Efficiency Vermont - How to Fix a Wet Basement pg. 6
VEC Vehicles for Salepg. 6
VEC 2019 Financial Statementpg. 7
Spring Safety Tips from VECpg. 7
VEC Board of Director's Attendancepg. 7

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District 7	Rich Goggin 508-439-9166 30 Whipple Rd, South Hero, VT 05486 district7@vermontelectric.coop			
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