

VERMONT ELECTRIC COOPERATIVE, INC.
86th ANNUAL MEETING OF MEMBERS
Jay Peak Resort
MAY 10, 2025

UNAPPROVED MINUTES

The meeting was called to order at 9:30 am by President Rich Goggin.

WELCOME

Goggin welcomed members to Jay Peak Resort for VEC's 2025 Annual Meeting. He noted that the primary driver at VEC is safety and that VEC must think about safety all the time. He introduced John Varney, VEC's Safety and Facilities Manager.

SAFETY MINUTE

John Varney gave a presentation on safety "near misses." He explained that a "near miss" is an unplanned unpredicted event that almost causes bodily harm or property damage and that has the potential of creating a mild to serious injury or even death. He said that at VEC near misses are recorded and reviewed so that they can be learned from. He described several near misses at VEC in the past year, emphasizing the need for monitoring speed and road conditions for unexpected situations, assessing the area around a vehicle before backing up, and ensuring that stove burners and ovens are turned off. He ended with a personal story -- a description of his fall on a sidewalk this winter -- and explained not only the need to be careful but also the importance of sharing near misses so that all can learn from them.

INTRODUCTION OF GUESTS

Goggin welcomed guests at the meeting - Vermont Department of Public Service Commissioner Kerrick Johnson; Washington Electric Cooperative General Manager Louis Porter and Board of Director members Don Douglas, Pat Barnes, Susan Alexander, and Steve Farnham. He thanked them for attending and supporting VEC. He also thanked Jay Peak for hosting the meeting.

He introduced the VEC Board of Directors:

District 1; Carol Maroni, Second Vice President, Craftsbury, District 3; Mark Woodward, Johnson, District 4; Charlie Van Winkle, Treasurer, Underhill, District 5; Paul Lambert, First Vice President, Georgia, District 6; Rich Goggin, President, South Hero, District 7; George Lague, Derby, East Zone II; Tom Bailey, Derby, East Zone I; Jody Dunklee, Secretary, Fairfax, West Zone

I; Ken Hoepfner, Jeffersonville, West Zone II; and Bonnie Pratt, Cambridge, West Zone III (not present).

PRESIDENT'S ADDRESS

Goggin began by noting that VEC is a cooperative which is an important and unique characteristic of our utility. He said that the fact that VEC is a co-op affects how it makes decisions and how it serves its members. He explained that VEC operates under 7 guiding cooperative principles, and these principles affect how it makes decisions and how it serves its members and communities, focusing its attention on them.

He said that membership in VEC gives a member a voice and a stake and he encouraged any member who wants to be a Director on the VEC Board to contact any current Director to learn more.

He said that as a co-op, VEC can charge just enough for service so it can operate reliably and safely and that any extra is allocated back to members through capital credits. He emphasized that the most common phrase in VEC Board of Directors meetings is "What is best for the members?" He said that VEC works hard to educate members, visiting locations such as schools and farmers markets, and hosting community events. He highlighted VEC recent educational webinars, with topics such as drone use, and encouraged members to attend.

He stated that VEC also participates in mutual aid, so that if a storm hits, the co-ops will help each other. He also described the work of the VEC Community Fund, funded by members rounding up their bills. He said the Fund since its inception has distributed over \$170,000 through over 220 grants to community organizations. He said that about 10% of members round up, and encouraged members to round up as the maximum that they would pay is \$12 a year. He asked members to imagine what the impact VEC could have if it had double or triple the amount to distribute to community organizations.

Goggin concluded by reminding members that they are owners of VEC, and that being a co-op impacts everything VEC does – from responding to storms to issuing capital credits.

CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING

Goggin introduced VEC Secretary Jody Dunklee. Dunklee read the Certificate of Quorum stating that 2,566 members voted in the election. That number exceeded the quorum requirement in VEC's bylaws of at least 100 members and therefore this meeting can be legally held.

Dunklee read the Mailing Affidavit certifying that a copy of the notice of the Annual Meeting of the members was mailed to each member of the cooperative on April 15, 2025, in the manner prescribed by the bylaws.

Dunklee noted that it is customary to waive the reading of the Notice of Annual Meeting and asked for a motion. Frank Davis, Derby, moved and Tom Bailey, Derby, seconded to waive the reading of the notice.

There was no discussion and the motion passed by voice vote.

MINUTES OF THE 2024 ANNUAL MEETING OF MEMBERS

Dunklee noted that she would entertain a motion to approve the 2024 Annual Meeting of Members minutes.

Karen Jenne, Derby Line, moved and Frank Davis, Derby, seconded that the minutes of the May 11, 2024 Annual Meeting be approved.

There was no discussion and the motion passed by voice vote.

TREASURER'S REPORT

Treasurer Charlie Van Winkle reported that VEC continues to maintain a financial rating by Standard & Poor's of A+ with a stable outlook. He noted that stronger financial ratings benefit VEC when negotiating power supply contracts and borrowing funds at lower interest rates. He reported that VEC's independent auditors, Kittell, Branagan & Sargent, completed their independent audit of VEC for 2024 and issued an unqualified accounting opinion, which assures members that the financial results presented in VEC's annual financial summary conformed to industry-wide, generally accepted accounting principles.

Van Winkle reported that for the 2024 calendar year, VEC had operating revenues of \$102.9 million and operating expenses of \$99.7 million, with net income from operating \$3.2 million. Other income included interest and dividend income of \$6.3 million, mainly from investments in Vermont Transco, our statewide transmission provider.

He said that the largest driver of costs for VEC is power supply, which had costs of \$46.3 million for 2024.

He reported that VEC has invested \$44.4 million in Vermont Transco stock, which provides an approximate 13% return. He reported that between 2013 until present, VEC has returned \$14.3

million of member capital to members. He noted that VEC invested approximately \$12.7 million in capital improvements in 2024.

ANNOUNCEMENT OF 2024 ELECTION RESULTS

Goggin thanked all the candidates for their participation in the election and announced the results. The following members were elected as Directors:

District 1: William Gilbert

District 2: Jeffery Wilson

East Zone at Large: Tom Bailey

West Zone at Large: Bonnie Pratt

ADJOURNMENT

Robin Clark, Lowell, moved and Maurice Macia, Newport, seconded to adjourn the business part of the meeting.

The motion passed by voice vote. The meeting adjourned at 10:08 am.

Respectfully submitted by:

Jody Dunklee, Secretary

Rich Goggin, President