VERMONT ELECTRIC COOPERATIVE, INC.

73RD ANNUAL MEETING OF MEMBERS

MAY 21, 2011

APPROVED MINUTES

The meeting was called to order by VEC President Thomas Bailey at the Newport Elks Club, 3736 US Route 5, Derby, Vermont at 10:00 a.m. President Bailey reminded those present that if they had not yet voted they should do so as the ballot box would be closing at 10:30 a.m. President Bailey also mentioned that copies of the 2009 and 2010 Annual Meeting minutes and Financial Statements were available for those members wishing to take a copy home.

INTRODUCTION

President Bailey introduced himself to the members. Bailey also introduced Michelle DaVia, Secretary; Bert Lague, Treasurer; Dave Hallquist Chief Executive Officer; Randy Pratt, Parliamentarian; and Liz Miller, Commissioner of the Department of Public Service.

INTRODUCTION OF DIRECTORS

President Bailey introduced the following Directors present at the Annual Meeting, in addition to Michelle DaVia, Westford, District #5 and Bert Lague, Derby Line, East Zone I: Don Worth, Island Pond, District #1; John Ward, Newport, District #2; Mark Woodward, Johnson, District #4; Dan Parsons, Second Vice President, Richford, District #6; Dorothy Allard, Bakersfield, West Zone III; Craig Kneeland, Eden Mills, West Zone II; Dan Carswell, First Vice President, Enosburg Falls, West Zone I; and Jack Miller, North Hero, District #7. Bailey informed members that District #3 is vacant and that there would be a special election later in the year.

INTRODUCTION OF GUESTS

Northrup; Liz Miller; Don Kreis, Assistant Professor, Vermont Law School; Duncan Kilmartin, House of Representatives; Vince Illuzzi, Senator; and Graham Ray, General Manager, Tivoli.

CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING

Secretary DaVia read the Certificate of Quorum stating that of the total membership of 32,156, there was a quorum of 100 members present and that the meeting could legally begin.

DaVia continued by reading the Mailing Affidavit certifying that a copy of the notice relative to the Annual Meeting of the members was mailed to each member of the Cooperative on April 27, 2011, in the manner prescribed by the Bylaws.

Director Bert Lague moved and Robert Northrup seconded:

That the reading of the Notice of the 2011 Annual Meeting of Members be waived.

No discussion was forthcoming and the motion carried unanimously.

MINUTES OF THE 2009 AND 2010 ANNUAL MEETING OF MEMBERS

DaVia noted that last year the acting secretary, in her absence, inadvertently requested a waiving of the reading of the minutes and did not request an approval of the minutes. DaVia requested that the minutes for the 2009 annual meeting of the members be approved.

An unidentified member moved and Naomi Shaw seconded:

That the minutes of the 2009 Annual Meeting of Members be approved.

No discussion was forthcoming and the motion carried unanimously.

Naomi Shaw moved and Alice Wright seconded:

That the reading of the minutes of the 2010 Annual Meeting of Members be waived.

No discussion was forthcoming and the motion carried unanimously.

Alice Wright moved and David Hayes, Jr., seconded:
That the minutes of the 2010 Annual Meeting of members be approved.

No discussion was forthcoming and the motion carried unanimously.

CERTIFICATE OF CANDIDATES READ AND CANDIDATES INTRODUCED

DaVia read the Certificate of Candidates:

District 1 Candidates:

- Paul King, Island Pond
- Ken Mason, Morgan
- Don Worth, Island Pond

District 6 Candidate (running unopposed):

- Dan Parsons, Richford

Western Zone Director at Large:

- Dan Carswell, Franklin
- Caleb Elder, Starksboro
- Robert Pearl, Grand Isle
- Naomi Shaw, Westford

PRESIDENT’S ADDRESS

President Bailey then addressed members by summarizing the Board’s activities during the past year. He reported that unlike the prior year when commercial and industrial revenue were down, VEC is seeing increases in energy sales and revenues.

TREASURER’S REPORT

President Bailey introduced Vermont Electric Cooperative, Inc.’s Treasurer Bertrand Lague. Lague then presented the Treasurer’s report and financial highlights.

Bob Northrup moved and Alice Wright seconded:
That the Treasurer’s Report be accepted as presented.

No discussion was forthcoming and the motion carried unanimously.

CHIEF EXECUTIVE OFFICER’S REPORT

President Bailey introduced Vermont Electric Cooperative, Inc.’s Chief Executive Office, David Hallquist. CEO Hallquist presented a summary of VEC highlights achieved over the past year, noting accomplishments and challenges, plans for the next year, and where the cooperative is headed in the future.

BALLOT BOX CLOSED

At 10:30 a.m., President Bailey announced that the ballot box was officially closed and that votes that were cast today would be counted.

CHIEF EXECUTIVE OFFICER’S REPORT - CONTINUED

Hallquist continued with his highlights and touched upon the Smart Grid history, along with the start of the consumer behavior study. Hallquist spoke about four sources available to provide round-the-clock power: nuclear, oil, natural gas, and coal. Hallquist spoke about and answered many questions regarding the Green Mountain Power Kingdom Community Wind project.

KEY NOTE SPEAKER – LIZ MILLER

Hallquist introduced key note speaker Liz Miller, Commissioner of the Vermont Public Service Department. Commissioner Miller gave a presentation of the Vermont comprehensive energy plan and noted that the Department of Public Service is charged with doing the energy planning on a state-wide level.

At the conclusion of Miller’s presentation, she and CEO Hallquist engaged in a lengthy question and answer session. Members had an opportunity to ask questions which focused largely on the power supply alternatives available to VEC and the State and the advantages and disadvantages of the various alternatives. A transcript of the question and answer session is available upon request.
VOTING RESULTS

President Bailey introduced parliamentarian Randy Pratt to present the voting results.

Pratt stated that out of approximately 34,000 eligible voters, 2,715 votes were cast. Three ballots were invalid, and 94 were returned unexercised. He then presented to the members the election results for candidates running for the Board of Directors.

District 1:
- Don Worth received 307 votes
- Ken Mason received 208 votes
- Paul King received 75 votes
Don Worth is Director for District 1.

District 6 was uncontested:
- Dan Parsons received 366 votes.
Dan Parsons is Director for District 6.

Western Zone Director at Large:
- Dan Carswell received 764 votes
- Robert Pearl received 262 votes
- Caleb Elder received 211 votes
- Naomi Shaw received 186 votes
Dan Carswell is the Director at Large for the Western Zone

Pratt then presented to members the voting results on changes to two Bylaw amendments.

“Shall Article IV Section 4 of the VEC Bylaws be amended to allow for conditions and a process by which the Board of Directors may remove a Director, as explained in the Notice of Annual Meeting?”

There was a total of 2,293 yes votes; 314 no votes.
“Shall Article V Section 1 of the VEC Bylaws be amended to allow Board of Directors meetings to be held in a location at the discretion of the VEC Board of Directors, as explained in the Notice of Annual Meeting?”

There was a total of 2,296 yes votes; 325 no votes.

President Bailey invited members to continue with their questions for CEO Hallquist, and another lengthy question and answer session ensued with many questions focused on the Kingdom Community Wind project in Lowell. A transcript of the question and answer session is available upon request.

ADJOURNMENT

The meeting adjourned at approximately 1:00 p.m.

Respectfully submitted by:

Michelle DaVia, Secretary and

Thomas Bailey, President