

**VERMONT ELECTRIC COOPERATIVE, INC.**  
**76<sup>TH</sup> ANNUAL MEETING OF MEMBERS**  
**MAY 17, 2014**  
**APPROVED MINUTES**

The meeting was called to order by VEC President Thomas Bailey at the Smuggler's Notch Resort, Jeffersonville, Vermont at 10:00 a.m. President Bailey reminded those present that the ballot box would be closing at 10:30 a.m. President Bailey also noted that copies of the 2013 Annual Meeting minutes and 2013 Financial Statements were available for those members wishing to take a copy home.

**INTRODUCTIONS**

President Bailey introduced himself and also introduced Dave Hallquist, Chief Executive Officer; John Varney, VEC Safety & Security Manager; Michelle DaVia, Secretary, director from Westwood, District #5; and Mike Bursell, VEC Chief Financial Officer.

President Bailey introduced the following members of the VEC Board of Directors:

Don Worth, Island Pond, District #1; Carol Maroni, Craftsbury, District #3; Mark Woodward, Johnson, District #4; Mitzi Johnson, South Hero, District #7; George Lague, Derby, East Zone I; Dan Carswell, First Vice President, Enosburg Falls, West Zone I; Ken Hoepfner, Jeffersonville, West Zone II; and Rich Westman, Cambridge, West Zone III. President Bailey noted that John Ward, Treasurer, director from Newport, East Zone I, and Dan Parsons, Second Vice President, Richford, District #6 were not present.

CEO Dave Hallquist recognized Jeff Commons from the Vermont Department of Public Service, Roger Fox from Washington Electric Cooperative, Tom Dunn from VELCO, and the exhibitors.

CEO Hallquist informed the members that a typical VEC meeting starts with a safety moment. Hallquist reintroduced Safety & Security Manager John Varney who demonstrated the proper techniques on how to cut down a tree.

**CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING**

Secretary DaVia read the Certificate of Quorum stating that of the total membership of 31,978, there was a quorum of 100 members present and that the meeting could legally begin.

DaVia read the Mailing Affidavit certifying that a copy of the notice of Annual Meeting of the members was mailed to each member of the Cooperative on April 22, 2014, in the manner prescribed by the Bylaws.

DaVia noted that it is customary to waive the reading of the Notice of Annual Meeting and requested a motion to that effect.

Frank Davis moved and Jim Robicsek seconded:

That the reading of the Notice of the 2014 Annual Meeting of Members be waived.

No discussion was forthcoming and the motion carried.

### **MINUTES OF THE 2013 ANNUAL MEETING OF MEMBERS**

DaVia noted that it is also customary to waive the reading of the unapproved minutes of the previous year's annual meeting and requested that a motion to that effect.

Dick Audette moved and Robin Clark seconded:

That the reading of the minutes of the 5/18/2013 Annual Meeting of Members be waived.

No discussion was forthcoming and the motion carried.

### **PRESIDENT'S ADDRESS**

Bailey reported on the year just completed noting that the overall positive growth trends have helped to get a sense of the local economy and to offset the ever increasing costs associate with our electric utility business.

He noted the Boards role in working closely with VEC's management team to establish and approve a physically responsible budget for 2014. Bailey thanked the VEC Board of Directors and VEC employees for their hard work over the past five years and their ongoing efforts to provide its members with affordable, clean and reliable electricity for their homes, farms and businesses.

### **TREASURER'S REPORT**

VEC's Treasurer John Ward was not present. CFO Mike Bursell presented the Treasurer's report and financial highlights for the prior year on his behalf.

Bursell noted that VEC generated net income of \$3.6 million beating budget by 2 percent, and gross capital spending in system improvements totaled nearly \$14 million and finished within 7 percent of the approved budget.

### **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.

Bursell reported that 2013 was a major milestone in VEC's history and marked the first time in its 75-year history that VEC was able to retire patronage capital to its members

Bruce Potter moved and Alice Wright seconded:

That the Treasurer's Report be accepted as presented.

No discussion was forthcoming and the motion carried.

### **CERTIFICATE OF CANDIDATES**

Secretary DaVia read the Certificate of Candidates and asked that those candidates present please stand.

District #3 Director Candidates: Chuck Farrar – Troy; John Klar – Irasburg; Carol Maroni – Craftsbury.

District #4 Candidate: Mark Woodward – Johnson.

District #5 Candidates: Michelle DaVia – Westford; Andrew Doe – Essex Junction; Caleb Elder – Starksboro.

### **CHIEF EXECUTIVE OFFICER'S REPORT**

Hallquist introduced the members of VEC's senior leadership team: Chief Financial Officer Mike Bursell, Chief Operations Officer Jeff Wright, and Manager of Corporate Services Liz Gamache. General Counsel Vickie Brown was not present. He also recognized three employees who organized the annual meeting: Amanda Zay, Nina Russo-Sanchez, and Lisa Morris.

Hallquist reported that this year VEC has worked very closely with the Legislature in passing net metering legislation that addresses the cross subsidization issues. He noted that VEC is also opening up the cap to allow more net metering to move forward because we know how much members and Vermonters are in love with net metering and solar. He touched upon the large solar project

Hallquist gave a presentation on the increasing number of storms and the day-to-day dangers we are facing.

Hallquist took comments from members and engaged in a lengthy question and answer period.

## **VOTING RESULTS**

President Bailey introduced ballot teller Susan Barr to present the voting results. Susan Barr stated that out of approximately 31,978 eligible voters, 1,566 valid ballots were cast.

### **Ballot Item #1:**

Barr then presented the election results for the remainder of the Ballot Item #1: Candidates running for the Board of Directors are as follows:

#### **District 3:**

- Frank Farrar received 122 votes
- John Klar received 114 votes
- Carol Maroni received 373 votes

***Carol Maroni is the Director for District 3.***

#### **District 4:**

- Mark Woodward 334 votes

***Mark Woodward is the Director for District 4.***

#### **District 5:**

- Michelle DaVia received 299 votes
- Andrew Doe received 97 votes
- Caleb Elder 207 votes

***Michelle DaVia is the Director for District 5.***

## **ADJOURNMENT**

There being no further business before the meeting:

Frank Davis moved and Joseph Ciechanowicz seconded:

That the meeting be adjourned.

The meeting adjourned at 11:30 a.m.

Respectfully submitted by:

  
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Michelle DaVia, Secretary

and

  
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Thomas Bailey, President