

VLITE Board of Directors Quarterly Meeting
At Downs Rachlin Martin Conference Room, 52 State St., Montpelier, VT
Minutes of December 7, 2022
Approved on March 1, 2023

Meeting called to order at 12:38

In attendance:

Board members: Tony Klein, Richard Rubin, Sarah Hofmann, Hal Cohen (remote), Peter Walke (arrived late), Larry Lackey, and Amy Shollenberger.

Others: Gabrielle Malina. Tom Dunn (attending remotely).

Conversation with Tom Dunn

Tom Dunn, President and CEO provided an update to the VLITE board about VELCO. Mr Dunn said VELCO's credit rating had recently improved and they are on sound financial footing. The capital program is very busy with refurbishing of substations and the building of a backup data center.

There is a major project on the Highgate to Georgia line in the works and Dunn expects permitting to be completed in the beginning of 2023. VELCO will replace wooden poles with steel poles and upgrade wires to double the transmission capacity on these lines. This project will create more capacity for power to come from the SHEI – an increase of between 20 and 50 Megawatts and allow for more renewables in the region.

VELCO continues to plan for leadership succession and also try to diversify its workforce. Diversity, equity and inclusion efforts are now a key performance indicator.

Hiring cybersecurity professionals is very difficult. It's also hard to find transmission planners. But VELCO is well staffed with linemen.

Dunn was asked what attributes he thinks is important for a VELCO board member. Dunn replied that they would like diverse board members who are also experienced with transmission, or with managing complex projects, and with federal regulators. He said it may be worth considering recruiting from out of state. The VELCO board will be having turnover in its seats other than VLITE so candidates with financial acumen and who are communicative and engaged would be welcome.

Approve Minutes of September 7, 2022

- A motion was made to approve the minutes from the September 7, 2022 Board of Directors meeting.
 - 1st – Sarah Hofmann, 2nd – Larry Lackey
 - All present in favor

Treasurers Report

Sarah Hofmann reviewed the bank balances, Profit and Loss and Balance Sheet. As of November 20, 2022 there was a total of \$1,411,925 in VLITE's checking, savings and money market accounts. Hofmann noted that VLITE has a cushion in savings and that she keeps in close contact with VLITE's bookkeeper Kathie Felch at Fothergille, Segale and Valley.

- A motion was made to accept the report.
 - 1st – Larry Lackey, 2nd – Richard Rubin
 - All present in favor

Sarah and Gabrielle will review VLITE's banking options and consider whether to spread VLITE's funds to multiple institutions to address the limit of \$250,000 in deposits for federal insurance. They will also review options to improve interest rates on savings.

Review Informal Reports

Gabrielle reviewed informal grant activity and financial reports. The reports indicate the ebb and flow from year to year of grant disbursements as well as demonstrate VLITE's future financial ability to provide grants.

VLITE DRM Contract for 2023

The 2023 contract for Gabrielle Malina as Executive Director services through DRM remains at current levels.

A motion was made by Sarah Hofmann, seconded by Richard Rubin, and unanimously approved to approve the DRM contract and for Tony Klein to sign it on the board's behalf.

2023 VLITE Budget

The board reviewed a draft 2023 VLITE operating budget. The budget lists expenses other than grants at \$91,600. The remainder from anticipated revenues from VELCO dividends of \$1,032,000 is categorized as the grant budget of \$940,000. Tony Klein reiterated that the board agreed at its September meeting that it would continue to potentially authorize more or less grant spending per year that the grant budget depending on the timing and opportunity of projects to fund. VLITE has a structural cushion because VELCO dividends accumulated for a year in 2012 before the board began distributing grants in 2013.

Gabrielle will have the bookkeeper enter the budget into Quickbooks and produce budget v actual reports starting in 2023.

A motion was made by Richard Rubin, seconded by Sarah Hofmann and unanimously approved to accept the VLITE operating budget.

2023 Board Meeting Schedule

The board agreed on a 2023 quarterly meeting schedule of March 1st from 4-7pm, and on June 14th, September 12th, and December 7th, from 1pm to 4pm.

Capstone CarShare RideShare Grant Extension

A motion was made by Sarah Hofmann and seconded by Amy Shollenberger to extend the grant term for Capstone's Rural Carshare and Rideshare project to June 30, 2023.

The motion was approved by all board members except for Richard Rubin not in favor.

VLITE Board Compensation and Reimbursement

Tony Klein proposed that , beginning in 2023, attendance by VLITE board members be increased to \$200 per meeting. Mileage reimbursement will also increase to \$.625 per mile.

A motion was made by Richard Rubin, seconded by Sarah Hofmann and unanimously approved to accept the proposal to increase board compensation and reimbursement.

The board entered Executive Session at 1:55 to interview candidates for VELCO independent director.

The board exited Executive Session at 3:40

Tony Klein announced that the board had selected Deb Markowitz to be its future nominee to the VELCO board.

Grant Ideas and Board Discussion

Richard Rubin expressed that there should be a more competitive grant process, more applications, and more new applicants with novel projects.

Peter Walke said that VLITE might consider playing a role plugging gaps in energy projects that have sufficient funding for goods and services but lack funding for administrative costs for the organizations involved. VLITE has historically not favored such grants for administrative costs but if it could remove a bottleneck from federal stimulus funds being spent for energy projects, that could be an opportunity to put VLITE funds to good use.

Amy Shollenberger said that VLITE should more aggressively market itself to smaller service provider nonprofits and others that VLITE is available as a grant source. Amy and Gabrielle will work on creative ways to publicize VLITE on different distribution lists.

Amy registered that in future VLITE searches for VELCO director, stating the compensation in the announcement is considered an important step to attracting people of limited means to consider applying.

Tony Klein shared that he would be interested in using VLITE funds to help families who are just above income thresholds to be helped by Capstone Community Action with energy bills.

Amy suggested a roundtable-type discussion with organizations in the energy and low income spaces to spur grant ideas and possible collaborations. Board members supported this effort. This could take place at the June, September or December meetings.

Richard Rubin reflected that VLITE should consider how to better optimize the relationship with its VELCO board nominees. Larry Lackey asked about the availability to VLITE of VELCO meeting agendas and minutes given that Washington Electric and Stowe Electric are VELCO shareholders that do not get to hold seats on that board.

The meeting adjourned at 4:10 pm.

Respectfully submitted by Gabrielle Malina, December 2022