

Hardwick Electric Commission

Special Meeting

Minutes –September 30, 2026

Attendees: Commissioners: Michael Ambrosino, Chair, Renaud Demers, Jake Lester, Myles Kamisher-Koch; Staff: Scott Johnstone and Renae DiGregorio.

Chair Ambrosino called a Special Meeting of the Hardwick Electric Commission to order at 6:00 pm at the Parker Ladd Room located in the Jeudevine Memorial Library Building, in Hardwick having declared a quorum present.

Controller DiGregorio requested that three action items be added to the agenda for consideration by the Board: Item 4A: Action to authorize Renae DiGregorio to remove Lynne Gedanken and Roger Prevot as cash managers and authorized signers at Union Bank. Item 4B: Action to approve the updated People's Trust Company Resolution to appoint Renae DiGregorio as an officer and authorized signer; remove Beth Essary, Lynne Godikan, and Roger Prevot as officers and authorized signers; and authorize Renae DiGregorio as an online cash management banking user. And add Item 4C: Action to authorize General Manager Scott Johnstone to execute the necessary documents and sign on behalf of Hardwick Electric Department to complete the business property purchase scheduled for October 16, 2026. Additionally, General Manager Johnstone requested that an executive session to discuss real estate matters be added to the agenda as Item 5A.

There were no public comments.

Quickly jumping into the first action item, Controller DiGregorio reviewed the proposed taxable financing for previously completed 2026 capital improvements, explaining that the projects were funded through operating cash because the required official intent to reimburse the expenditures had not been established before the work was completed. As a result, the Department pursued taxable financing for these expenditures. She noted that an alternative financing option with an interest rate just below 7% had been received from another local financial institution; however, Community National Bank ultimately provided

the most workable option for HED. Controller DiGregorio outlined the proposed financing terms, including a 10-year repayment period at a fixed interest rate of 7.195%, with annual payments of \$43,099.65 beginning October 1, 2027. Commissioner Kamisher-Koch stated that he observed on page 2, paragraph 4, referred to a general obligation. Controller DiGregorio confirmed that this note was an electric revenue obligation repaid through electric revenues over time which was then confirmed with legal counsel and corrected for signatures. Controller DiGregorio also advised that Attorney Eli Emmerson's formal legal opinion confirming the validity of the Note and its compliance with Vermont law had been completed and validated. Commissioner Ambrosino inquired who got the benefit of a tax exempt note, Controller DiGregorio and General Manager Johnstone both explained that the direct benefit is with the financial institution which indirectly benefits Hardwick Electric but is usually .5-1% lower. Commissioner Kamisher-Koch acknowledged that the goal moving forward would be more consolidated financing, instead of smaller stacked notes. General Manager Johnstone stated that the first step to that goal is to have long term capital plan to reference. Commissioner Ambrosino moved to approve the taxable \$300,000 note with Community National Bank for 2026 Capital Work that has already been completed with the understanding that this is a revenue based note and not a general obligation. Commissioner Kamisher-Koch seconded the motion, and all voted favorably.

Next on the agenda was to review the proposed 2026 Capital Line of Credit for approval. Controller DiGregorio reviewed the two remaining distribution capital projects planned for 2026, involving reconductoring work on Greensboro's and Hardwick's main circuits. She explained that both projects were identified as priorities in the Engineering System Study and address aging conductors that are approximately 50 years old or older. The replacement of existing wire with larger-capacity conductor is intended to improve system reliability, increase circuit capacity, and support future electric demand and continued electrification. Controller DiGregorio explained that financing these long-term infrastructure investments would preserve operating cash for daily operations, emergencies, and other financial needs while spreading project costs over time to better align with the useful life of the assets. She noted that this approach would support HED's

ongoing capital investment strategy while helping minimize significant rate impacts from large capital expenditures. This note will also support other miscellaneous capital work for the remainder of 2026. Controller DiGregorio then outlined the proposed capital line of credit terms, including an annual interest rate of 4.95%, with principal and interest payable annually. The line of credit will mature on December 31, 2026, at which time the outstanding balance is expected to be converted into a long-term capital note. This structure will allow HED to fund capital expenditures as needed and once the year has concluded, the balance will convert to a long term note. Commissioner Kamisher-Koch asked if there was a requirement to pursue that financing only with Community National Bank at the end of the year and Controller DiGregorio verified we were not obligated to do that financing with them and could pursue other financing if more appropriate. Commissioner Ambrosino moved to approve the taxable \$300,000 Line of Credit for Capital Improvements and the Tax Exemption certification with Community National Bank. Commissioner Demers seconded the motion, and all voted favorably.

Next on the agenda was action to approve Renae DiGregorio to remove Lynne Gedanken and Roger Prevot as cash managers and signers at Union Bank. Commissioner Ambrosino moved to authorize Renae DiGregorio to remove Lynne Gedanken and Roger Prevot as cash managers and signers at Union Bank. Commissioner Kamisher-Koch seconded the motion, and all voted favorably.

Next on the agenda was to approve the updated Peoples Trust Company Resolution which adds Renae DiGregorio as an officer and removes Beth Essary, Lynne Gedanken, and Roger Prevot as officers. Commissioner Lester made a motion to remove Beth, Roger, and Lynne as signers and officers and to authorize Renae DiGregorio to become an officer and cash management user with Peoples Trust Accounts. Commissioner Ambrosino seconded the motion, and all voted favorably.

Next on the agenda was to authorize General Manager Scott Johnstone to act and sign on Hardwick Electrics behalf to purchase the building on 10/16/2026 located at 1868 RT-16, Hardwick Vermont. Commissioner Ambrosino made a motion to authorize General

Manager Johnstone to sign for the purchase of the new building located at 1868 RT-16 Hardwick, Vermont. Commissioner Lester seconded the motion, and all voted favorably.

At 6:48 pm a motion was made by Commissioner Ambrosino to go into executive session under VSA 313 (a) 2 relating to Real Estate and to include the general manager and controller in the executive session. Commissioner Demers seconded and all voted in the affirmative.

At 7:38 pm the Commission returned to open session.

At 7:39 pm a motion was made by Commissioner Kamisher-Koch to move to adjourn the special meeting.

Seconded by Commissioner Lester and passed unanimously.

Recorded by: Renae DiGregorio, Controller Date

Commissioner: Date