



## Regular Board of Directors Meeting Minutes

April 7, 2021

### Board of Directors:

	Vacant, Barton	<b>P</b>	Bill Humphrey, Lyndonville
<b>P</b>	Jonathan Elwell, Enosburg	<b>P</b>	Penny Jones, Morrisville
<b>P</b>	Mike Sullivan, Hardwick	<b>P</b>	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	<b>P</b>	John Morley, Orleans
<b>P</b>	Meredith Dolan, Johnson	<b>X</b>	Reginald Beliveau, Swanton
<b>P</b>	Thomas Petraska, Ludlow		

*X indicates attendance in person, P indicates attendance by phone.*

### Alternates present:

Lynn Paradis, Swanton ( <b>P</b> )	Sheilah Evans, Morrisville ( <b>P</b> )

### Others present:

Ken Nolan, VPPSA - ( <b>P</b> )	Crystal Currier, VPPSA - ( <b>P</b> )	Amy Parah, VPPSA - ( <b>P</b> )
Melissa Bailey, VPPSA - (P)	Kim Harris, VPPSA - (P)	Julia Leopold, VPPSA - ( <b>P</b> )
Alex Nicholson, VPPSA - (P)	Ken St. Amour, VPPSA - ( <b>P</b> )	Shawn Enterline, VPPSA- (P)
Steve Farman, VPPSA-( <b>P</b> )	Dave Gagne, VPPSA -(P)	Jeff Graham, Graham & Veroff (P)
Jackie Lemmerhirt, Lemmerhirt Consulting (P)	James Gibbons, BED-(P)	Amanda Simard, VPPSA-(P)
Todd Deuso, Morrisville Trustee		

### Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:47 a.m.
- 2.** Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. The General Manager requested the addition of "For the Good of VPPSA" to the end of the Agenda as requested by Director Sullivan at the March Board meeting. No other changes were made.
- 3.** Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public comments.

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4. Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on March 3, 2021. The motion was seconded by Director Fitzhugh. Motion approved.
5. Director Jones made a motion to accept the Treasurer's report as of February 28, 2021. The motion was seconded by Director Elwell. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending February 28th. The financial results indicate operational expenses being under-budget by approximately 9%. This includes payroll and overheads that are over-budget by 1.1% and office supplies and expenses that are under-budget by approximately 23%. The primary drivers related to the under-budget results include: website, conferences & travel expenses, legal and interest. These costs are offset by over-budget results in audit & computer equipment.

The motion to approve the Treasurer's report for the period ending February 28, 2021 was approved.

6. Director Humphrey made a motion to approve Resolution 2021-03 (Presentation and Acceptance of the 2020 Audit Report) as presented. The motion was seconded by Director Fitzhugh.

Jeffrey Graham from Graham & Veroff was available (by phone) and presented the 2020 audit report. Mr. Graham noted the company name change by adding Steve Veroff as a partner to the company. Mr. Graham noted that VPPSA received a clean, or unmodified, opinion for 2020. The primary components that led to the opinion include:

- VPPSA's strong cash position
- VPPSA's ability to pay down debt
- Expenses remain level/stable
- Increase in Investment earnings
- Bond rating remains stable
- No deficiencies in internal controls

Overall, VPPSA did see a lower net-profit but had an increase in cash position and ended the year with a strong equity position. Revenue is stable.

There was some discussion on the depreciation of the McNeil project. The General Manager reminded the board McNeil did not have their major overhaul in 2019 as expected so the capital we collected from the members carried over to 2020. The General Manager also stated that there are conversations happening with Burlington Electric and the possible District Energy project. More information is needed to determine if this will be beneficial for VPPSA and the participating members.

The motion to approve Resolution 2021-03 was approved.

7. Director Elwell made a motion to approve Resolution 2021-04 (Authorization to sign Global Foundries MOU). The motion was seconded by Director Jones.
8. The General Manager discussed with the Board, GMP and Global Foundries ("GF") have now made filings with the PUC to separate GF's load from GMP. Velco has entered a MOU with GMP and GF to facilitate this transaction and has intervened in the PUC proceedings. VPPSA worked with GMP and other Vermont DU's to negotiate an MOU addressing the remaining DU concerns. The attached MOU would commit GMP and GF to "make whole" payments designed to alleviate the financial concerns. The MOU would also allow VPPSA to intervene in PUC proceedings and make arguments deemed necessary to limit the Self-Managed Utility (SMU) concept to only GF.

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Most VPPSA members have authorized VPPSA to sign on their behalf and staff is working with the remaining members to obtain approval.

The motion to approve Resolution 2021-04 was approved.

9. Steve Farman, VPPSA's Manager of Planning & Support gave an update on the Retail Sales Data Tracking & Reporting. Mr. Farman reminded the Board that since Ms. Simard's presentation in November, they have rolled out individual member templates intended for use in an initial one-month trial and they believe there is long-term value in pursuing a standardized sales data collection process. Mr. Farman suggested that the VPPSA members continue to work toward using the detailed template on an annual basis while developing & testing the enhancements needed to address issues raised during the recent trial run and ensure that the standardized collection process does bring value. VPPSA staff would like to ensure all members are comfortable with this planned shift in emphasis, aimed at attaining long range value, while minimizing the short run transitional burden on members. There was some discussion from the board that although it was a learning curve it is a good tool in the data collection process and collecting monthly could provide value for members. Other members are finding time constraints in having to process their retail sales report and then a second report for VPPSA. The Board supported moving forward with an annual template while allowing members who felt able to provide monthly data.
10. Ken St. Amour, VPPSA's Manager of Information Technology & Security Services, provided an update on the AMI activities that have occurred since the last Board meeting. Mr. St Amour presented the Ownership and Deployment of AMI, laying out the member groups and dates. Allen Stamp is continuing his work with Aclara to develop a comprehensive statement of work for the project, negotiating terms and conditions and developing the schedule for the project. Mr. St. Amour is working hard to move this forward and get input from everyone involved to ensure we provide the information necessary for a final decision.

Jackie Lemmerhirt presented the Cost/Benefit Analysis for decision making and the scope of AMI benefits that she, along with VPPSA and the member system's staff have been working to complete. Ms. Lemmerhirt reviewed Northfield and Swanton's Cost Benefit Analysis which are still in process These documents will help serve the decision-making process and be utilized as part of Docket 7307 submission to the PUC. The General Manager added that there are benefits to time of use rates, and daily bidding that are not yet reflected.

Mr. St. Amour also reviewed his work on Cybersecurity in relation to AMI.

11. Melissa Bailey, VPPSA's Manager of Government Relations, provided a Legislative and Regulatory update. On the Regulatory front, the PUC has reopened its proceeding to investigate low-income rates for residential electric customers. Ms. Bailey also reminded the Board, that the Disconnect Moratorium continues through May 31<sup>st</sup>. The PUC is encouraging interested parties to lobby for funding to assist customers with their arrearages.

The Legislative update includes, Vermont Senate passing S. 60 Rate Flexibility unanimously in March. The bill was amended in the Senate Finance Committee to allow a utility to implement for a period of ten years from its most recent full rate case. There was a brief discussion regarding Electric Vehicle charging and language in the Transportation Bill which would require each utility in the state to implement an electric vehicle charging rate by 2024. The PUC has testified that the current language would allow whole house Time of Use Rates to qualify as EV rates.

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The Legislature is expected to allocate federal Covid funds to utility arrearages but it remains unclear whether funds will be available for customers regardless of income or housing situation. The current statewide need at roughly \$15M. The DUs will be increasing legislative outreach. The Appropriations Bill currently includes several energy-related allocations, consistent with the Governor's budget proposal. Current allocations include \$9M for low-income solar and \$16M for Weatherization incentives and Financing. This includes \$2M for utilities to implement innovative financing mechanisms, including to-the-meter financing. Ms. Bailey presented Testimony on Weatherization and on To-the-Meter Billing which included Customer Benefits, Benefits for Vermont, Utility Considerations and Strengths of Appropriations. VPPSA would like to gauge Member interest in pursuing to-the-meter financing. There was lengthy discussion with several Board members expressing concern with collecting yet another fee on behalf of statewide programs. Ms. Bailey explained that VPPSA believed this tool could help reduce member Renewable Energy Standard costs by using the on-bill payment feature as the utility incentive required under Tier 3. Members expressed interest in this value chain but requested more analysis to document the cost/benefit. More information will be provided in future board meetings.

- 12.** Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. Ms. Leopold submitted the 2020 Tier 3 Savings Claim on March 15<sup>th</sup> showing an increase in our rebate program compared to 2019. Prescriptive Tier 3 Programs continue to move along smoothly with several custom projects identified in member territories. Ms. Leopold reminded the Board to inform VPPSA staff of any Tier 3 custom projects early on in the project so that claim savings can be obtained. VPPSA is also participating in conversations with the Department of Public Service and other DUs about future compliance reporting requirements.
- 13.** Alex Nicholson, VPPSA's GIS Technician, provided an update on the activities of the GIS project in each of the member territories. Specifically, the imported of water meter data in Northfield, and updates to mPower applications in Ludlow and Morrisville. Ongoing monthly meetings are scheduled with mPower. Mr. Nicholson presented an example of the data flow structure under a proposed Velco/VPPSA GIS License Agreement and discussed staff's view of structural changes that would need to occur to make the VELCO approach viable. Board members continued to express reluctance to rely on VELCO for GIS activities. Continued negotiations to take place in mid-April. Mr. Nicholson also reviewed the GIS cost savings alternative research, GIS working group discussion and the General GIS Maintenance, including presentation of a draft standardized format for pole data.
- 14.** Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided a brief update on the activities at Project 10 noting that the plant had two starts in March and continued to operate well. The General Manager also gave an update on capital which included:
  - a. Backup Generator - work is beginning on staging the project and pouring the concrete slab. Equipment is being delivered and the installation is still anticipated withing the next 2 months.
  - b. Building Addition - The building addition is proceeding with outside contractor coordination moving from Dave DeSimone to Dave Gagne. Dubois & King has designed the concrete pad including the piling system due to soil conditions. ECI has been chosen as the concrete pad and piling contractor. The original control room manufacturer is being utilized to construct the expansion off site with it anticipated to be delivered in August/September with a completion date of October.
  - c. Property Insurance/Overhaul - Staff met at the end of March to activate a plan. Ms. Currier has identified a potential issue with self-insuring and as a result, staff is proceeding to hire a third-party turbine firm to review the historical borescope results, perform an inspection

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and provide a written assessment. The goal remains to provide the Board with an evaluation of options by fall 2021.

### 15. The General Manager provided a brief update on several topics, including:

- 1) Barton Status-VPPSA began management of Barton Electric on February 19<sup>th</sup>. The Controller is essentially operating as the village manager addressing issues well beyond the electric department. She has had to expend significant effort to address lingering financial issues and tie out the various accounts which has led to several ideas to streamline and improve operations. Barton, VEC and VPPSA had an initial meeting to begin clarifying roles and communications paths. The Board had some discussion around the problems being faced with keeping utility lineworkers not only in Barton but in other member territories as well. The General Manager was asked to research options. More conversations are needed therefore this topic will be added to the agenda at the Board Retreat.
- 2) Assistant Controller position-VPPSA completed interviews and an offer was made to Kimberly Lyon. She has accepted the offer and is anticipated to start on April 26<sup>th</sup>.
- 3) PUC privacy/security requirements - VPPSA has filed a request with the PUC for a Declaratory Ruling finding that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements. The DPS filed comments on the request indicating that VPPSA should only have access to customer data in very restricted instances. Staff responded to the DPS position reiterating VPPSA's unique nature and asking the PUC to either reject the DPS position or set a schedule for a contested case. Last week the PUC Hearing officer issued a proposed decision siding with VPPSA. Comments on the proposal are due from the DPS on April 13<sup>th</sup>.
- 4) 5 Year Purchase - Shawn is working on a more tailored purchase, prices are staying low, and the goal is to lock in a 5-years shaped purchase by September.
- 5) Storage RFP- The next phase is beginning and will seek firm bids. This phase will require a more active role by host members.
- 6) VPPSA Board Retreat - Ms. Parah is working with the venue to lock in a date sometime late June/mid-July. A Doodle Poll will be sent to the Board in the coming days.
- 7) Budget Billing for Power Supply - VPPSA staff is in discussions on billing the members for Power Supply based on budget rather than actual with the variance true-up the following year. More on this at the next board meeting.

Chairman Beliveau presented the first "For the good of VPPSA"  
Swanton is working on getting the VPPSA name out there in the community and introduced VPPSA to the Swanton Energy Committee as being part of Swanton Electric. Ms. Leopold is attending the Swanton Energy Committee as an active participant.

### 16. Director Morley made a motion to enter Executive Session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues and to provide an evaluation of the General Manager. The motion was seconded by Director Humphrey. The motion was approved.

The Board entered Executive Session at 01:27 p.m.  
The Board returned to Regular Session at 01:37 p.m.

Director Humphrey made a motion to accept the employee evaluation for the General Manager and to implement a 3% increase in pay effective with the next pay period. The motion was seconded by Director Sullivan. The motion was approved.

### 17. Other Business

No other business was brought before the Board.



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The meeting was adjourned at 1:47 p.m.

Respectfully submitted,

*Amy Parah*

Amy Parah, Assistant Secretary