



Regular Board of Directors Meeting Minutes

May 5, 2021

Board of Directors:

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

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

Alternates present:

Lynn Paradis, Swanton (P)	

Others present:

Ken Nolan, VPPSA - (X)	Crystal Currier, VPPSA - (P)	Amy Parah, VPPSA - (X)
Melissa Bailey, VPPSA - (P)	Kim Harris, VPPSA - (P)	Julia Leopold, VPPSA - (P)
Alex Nicholson, VPPSA - (P)	Ken St. Amour, VPPSA - (P)	Shawn Enterline, VPPSA - (P)
Steve Farman, VPPSA - (P)	Dave Gagne, VPPSA - (P)	Kim Lyon, VPPSA (P)
Amanda Simard, VPPSA - (P)		Allen Stamp, AP Stamp (P)
Jackie Lemmerhirt, Lemmerhirt Consulting (P)		

Numbers in bold type correspond with agenda item numbers:

1. Chairman Beliveau called the meeting to order at 9:32a.m.
2. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. The General Manager asked to table the motion to approve minutes of the Regular Board of Directors meeting held on April 7, 202, as the minutes were not included in the board packet.
3. Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. The General Manager introduced the new Assistant Controller, Kim Lyon.

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4. The minutes of the April 7th Board of Directors meeting were inadvertently not included in the Board packet; therefore, this item was tabled to the June meeting.
5. Director Jones made a motion to accept the Treasurer's report as of March 31, 2021. The motion was seconded by Director Fitzhugh. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending March 31st. Ms. Currier went over some corrections she had to make to the financials that were not in the board packet. The financial results indicate operational expenses being under-budget by approximately 5%. This includes payroll and overheads that are under-budget by .2% and office supplies and expenses that are under-budget by approximately 37%. 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 by insurance, audit & computer equipment. The General Manager noted that there will be increased travel the second half of the year as things start to open-up.

The motion to approve the Treasurer's report for the period ending March 31, 2021 was approved.

6. Julia Leopold, VPPSA's Communications Specialist reviewed the Key Accounts Program and how this program can help meet the needs of the member utilities, what the expectations are and the continued program development. This program is not completely a one size fits all, each utility is unique, and the program must benefit everyone. There was a brief discussion on energy transformation and helping the member businesses reduce fossil fuel energy costs while increasing retail sales. Ms. Leopold stated that the program started with 50+ customers and 17 Customers have been selected based on qualitative and quantitative factors. Ms. Leopold went on to discuss the timeline that will continue over the next year. There was a brief discussion about the Kickoff event and the difficulty to get customers to the event. Ms. Leopold will be contacting members concerning Key Accounts training and who might be interested.

Director Morley made a motion to approve devoting resources to the Key Accounts Program. The motion was seconded by Director Humphrey. Motion approved.

7. Shawn Enterline, VPPSA's Senior Power Analyst, provided a brief review of the Storage RFP. VPPSA staff intends to move forward with sites in Enosburg, Lyndonville, and Northfield. Bidders will be required to provide turnkey cost to construct bids and Energy Service Agreement proposals. This second round will produce project proposals under the three transmission structures and show a comparison of construction costs between vendors. Mr. Enterline briefly reviewed the proposed structure and timeline.
8. Shawn Enterline, VPPSA's Senior Power Analyst, provided a brief update on the Voluntary REC Program. VPPSA received a question from Morrisville regarding a commercial customer that desires to become 100% renewable. Mr. Enterline reviewed with the Board who would be eligible, how the program could work, terms and conditions and next steps. Mr. Enterline provided basic information on how the customer could acquire REC's in three ways: 1) from the wholesale market, 2) from a renewable aggregator and 3) directly from national providers. VPPSA was notified the customer would prefer to proceed with purchasing from the wholesale market and is now working with a broker. More on this topic will be brought before the Board in future board meetings.
9. Ken St. Amour, VPPSA's Manager of Information Technology & Security Services, provided a brief schedule status of AMI. Jackie Lemmerhirt reviewed the member cost/benefit analysis update. Allen Stamp provided an update on the statement of work, the stages of the core system setup and the commercial update. Aclara has made it clear that they prefer to have one contract with

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VPPSA instead of having 12 contracts. Having members own the meters directly could complicate financing for those who desire to have VPPSA finance this project. There was further discussion on whether VPPSA owning the meters would create issues for the members and how best to finalize the decision. A meeting with the Finance staff will be scheduled once Mr. St. Amour sends out the cost analysis. Further meetings with legal and auditors will be set up.

- 10.** Melissa Bailey, VPPSA's Manager of Government Relations, provided a Legislative and Regulatory update. The Legislative update includes the Governor signing the S.60 Bill on April 26th. Ms. Bailey reviewed what the S.60 Bill includes. There was a brief discussion on requirements for the Bill. The Legislature will spend the next few weeks reconciling and passing the Budget Bill which includes \$15M of Federal CRF funding to cover utility arrearages and house members have indicated support for this funding. The current draft budget also includes several energy related allocations. There was a brief discussion regarding the Transportation Bill and the implementation of an electric vehicle charging rate by 2024. A whole house "Time of Use Rate" would qualify under this legislation.

On the Regulatory front, the utilities must start assessing the EEC Rates on gross usage for new metering customers starting July 1st. A customer notice is being drafted to be sent out within the next couple weeks. The DPS has requested that the proceeding to investigate low-income rates for residential electric customers be delayed until at least July. Ms. Bailey also reminded the Board, that the Disconnect Moratorium continues through May 31st. The DPS will likely be reopening an Arrearage Assistance Program. There was a brief discussion on communication to member customers on the Arrearage Assistance Program.

- 11.** 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 15th and the DPS is currently auditing our prescriptive and custom projects for accuracy. VPPSA will be revising one savings claim with updated information. Prescriptive Tier 3 Programs continue to move along smoothly with the consideration of adding electric lawn care rebates. VPPSA also has several custom projects identified in member territories. Ms. Leopold also discussed with the Board the 2021/2022 Tier 3 Program Planning in comparison with 2020 with the possibility of moving the electric vehicle incentive to a point-of-sale discount to reduce administrative overhead.
- 12.** Alex Nicholson, VPPSA's GIS Technician, provided an update on the activities of the GIS project. Mr. Nicholson has been primarily working on developing standardized data structures for the GIS committee to review. He has also been performing member requested updates on existing maps.
- 13.** Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided a brief update on the activities at Project 10. Mr. Gagne specifically noted that the annual Blackstart testing was performed on May 4th and both units ran successfully.

The General Manager also provided an update on various activities which included:

- a.** Backup Generator - The site work is nearing completion with the concrete pad in place and conduit installed. Equipment is beginning to arrive on site and completion remains on budget and on schedule.
- b.** Building Addition - The building addition is proceeding with Dave Gagne coordinating with site-work vendors. ECI is still anticipated to pour the concrete pad by June. The building is under construction and anticipated to be delivered in August/September with a completion date of October.

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- c. Property Insurance/Overhaul - Staff is proceeding to hire a third-party turbine firm to review the historical borescope results, perform an inspection and provide a written assessment of the need to proceed with an overhaul. Dave DeSimone and Dave Gagne will be leading this effort with a goal of having results for either the September or October board meeting.
- d. The forward reserve markets cleared in the recent auction. Prices continue to decline and VPPSA staff is monitoring it closely.

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

- 1) Barton Status -Barton sent official notice for VPPSA to begin coordinating with VEC to determine how power supply might be transferred in the event they complete a transaction. VPPSA has entered into a Non-Disclosure Agreement with VEC in order to share information. Steps have been taken to clarify the firewall related to Ms. Currier's services for Barton by informing Barton that all requests of VPPSA should go through the General Manager. Future conversations will be needed; therefore, this topic will be added to the agenda at the Board Retreat.
- 2) Jacksonville-The General Manager met with the Trustees to discuss options for operations after Director Moore retires on June 15th. The General Manager started with a discussion of the steps required to sell the utility and a brief evaluation of the likely impacts of selling to GMP. The Trustees are primarily concerned about maintaining adequate office operations and addressing maintenance issues that they felt were contributing to high trouble calls for GMP line coverage. VPPSA will work with Director Moore and Mac Butova, Jacksonville's part-time office person, to assess what functions the remaining Jacksonville staff feel capable of covering and how to transition remaining tasks to VPPSA. The General Manager will be meeting with the trustees again on May 11th. Chairman Beliveau recommended that the Board recognize Director Moore for her service to Jacksonville and the VPPSA Board.

The Board held a short discussion regarding other communities that might be interested in creating a municipal electric utility. It was decided that this is a good topic for further discussion at the Board retreat.

- 3) APPA Month of Giving- The General Manager informed the Board that APPA does a day of giving during their annual National Conference. Due to the pandemic, APPA has instead asked its member communities to do a project within their own communities this year and identify that activity as "public power giving" during the month of June.
- 4) WEC General Manager - The General Manager informed the Board that Patty Richards has informed her Board that she will be leaving as the General Manager effective January 1, 2022. This opens a seat on the NEPPA Board of Directors and there was a short discussion regarding the possibility of the General Manager taking on that role.

15. Board Member Updates

- a. Director Beliveau noted that VPPSA's Communication's Specialist is helping the utility work with the local energy committee with outreach efforts.
- b. Director Fitzhugh provided a brief update on VELCO Operating Committee activities.
- c. Director Sullivan reiterated that VPPSA should recognize Pam Moore for her service and it was noted that the General Manager and the Chair would coordinate that effort.

16. Executive Session

None

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17. Other Business

There was a short discussion regarding the reopening of offices to the public.

The meeting was adjourned at 1:35 p.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary