



## Regular Board of Directors Meeting Minutes

August 4, 2021

### Board of Directors:

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

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

### Alternates present:

None	

### Others present:

Ken Nolan, VPPSA - ( <b>X</b> )	Crystal Currier, VPPSA - ( <b>X</b> )	Amy Parah, VPPSA - ( <b>X</b> )
Kim Lyon, VPPSA ( <b>X</b> )	Melissa Bailey, VPPSA - ( <b>X</b> )	Julia Leopold, VPPSA ( <b>X</b> )
Amanda Simard, VPPSA-( <b>P</b> )	Ken St. Amour, VPPSA - ( <b>X</b> )	Kim Harris, VPPSA ( <b>P</b> )
Steve Farman, VPPSA-( <b>P</b> )	Dave Gagne ( <b>P</b> )	Shawn Enterline ( <b>X</b> )
Allen Stamp ( <b>P</b> )	Jackie Lemmerhirt ( <b>P</b> )	James Gibbons, BED ( <b>P</b> )

### 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. No 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 in attendance.
4. Director Humphrey made a motion to accept the minutes of the Regular Board of Directors meeting held on July 7, 2021. The motion was seconded by Director Morley. Motion approved.
5. Director Morley made a motion to accept the minutes of the Special Board of Directors meeting (retreat) held on July 22, 2021. The motion was seconded by Director Jones. Motion approved.

## APPROVED

6. Director Elwell made a motion to accept the Treasurer's report as of June 30, 2021. The motion was seconded by Director Humphrey. The Assistant Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending June 30, 2021. Two projects, the Salvage Yard and Center Rd, are still not in service which is a contributing factor to revenues being under budget by almost \$48k to date. The financial results indicate operational expenses being under-budget by approximately 7.5%. This includes payroll and overheads that are under-budget by .3% and office supplies and expenses that are under-budget by approximately 23.4%. 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 & computer equipment.

The motion to approve the Treasurer's report for the period ending June 30, 2021, was approved.

7. The Controller presented Resolution 2021-05 related to amendments/changes to VPPSA's Cafeteria Plan. Director Jones made a motion to approve Resolution 2021-05 as presented. The motion was seconded by Director Petraska.

The Controller informed the Board that due to several changes in IRS rules, tax laws, the CARES Act, the ARPA Act, etc., employers have several options whereby they can amend their cafeteria plan to include provisions that will allow employees additional options. The specific proposed amendments were presented and reviewed with the Board. The Board expressed no opposition to the changes and the motion was approved.

8. The General Manager informed the Board on the staff's retreat held on July 20<sup>th</sup> following the Board's retreat held on July 19<sup>th</sup>. It was noted that staff reviewed the existing strategic plan and made several changes based on the Board's discussion and/or staff input. Based on these changes the draft 2022 strategic plan was presented and discussed in detail.

As part of the Board retreat, it was determined that a joint Board/Staff committee should be developed to evaluate and react to the regulatory, legislative, and workforce pressure that continue to develop. This committee's role and structure was discussed. The General Manager indicated that he felt at least three Directors would be sufficient. Directors that offered to participate include: Directors Beliveau, Morley, and Humphrey. Directors Jones and Elwell indicated they were interested in being part of the committee but had commitments that may hinder their attendance; however, they indicated that they would attend as time allows.

Director Morley mentioned that the Village of Orleans will be holding a "municipal awareness" day in Orleans to celebrate the municipality [and correspondingly the electric department]. Director Morley wondered if this was something VPPSA could help members with; with a goal of highlighting at least one member each year.

The General Manager also mentioned that since the retreat, VPPSA staff has been preparing VPPSA's quarterly financial compliance filing and several members are having difficulty getting audits/internal financial data prepared that meets VPPSA's obligation. This inability to provide financial information is expanding beyond something that affects individual members into something that could affect VPPSA's credit rating, its ability to borrow funds and potential power supply costs or limited access to vendors.

## APPROVED

9. The General Manager updated the Board on the impact the drought has had on the reduced hydro facility output over the last several months. The reduced generation has resulted in the need to buy excess power from the market as a hedge against poor hydro performance. Staff is currently assessing how ongoing poor output levels could affect VPPSA's ability to meet RES Tier 1 requirements and more importantly, the reduced generation could affect Swanton's standard offer exemption. These output changes can result in large swings in the member's power supply cost; and thus, supports the budget billing concept previously discussed during the strategic planning goals.
10. Ken St. Amour, VPPSA's Manager of Information Technology and Security provided an update on activities around the AMI project. Jackie Lemmerhirt of Lemmerhirt Consulting presented Swanton's completed cost/benefit analysis, noted that final reports will be distributed to the other members by Friday August 6<sup>th</sup> and she strongly encouraged feedback from the members. Allen Stamp continues to work on the Terms and Conditions portion of the contract and the Statement of Work and VPPSA staff is reviewing the specific requirements for the Docket 7307 filing (expected to occur in fall or early winter).
11. Melissa Bailey, VPPSA's Manager of Government Relations, provided a brief report on Legislative and Regulatory activities with the primary discussion focused on the concept of "To-The-Meter Financing", a program that is part of the tailored efficiency efforts being offered in three members' territories each year. This program provides an optional role for electric utility to play a supporting role in weatherization through on-bill payment of energy loans.

Ms. Bailey provided background on the project and identified various components of how the program might be implemented. There was a brief discussion surrounding the "customer" vs "the meter" concept, the risk to utilities, the requirements for software changes to accommodate the program, and the non-payment relationship with customer disconnection. There was controversy as to whether this program is appropriate for utilities in general; however, several members were interested in the program. It was noted that the program is voluntary.

12. Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. It was noted that VPPSA has met 86% of its total Tier 3 compliance for the year. A detailed update on the prescriptive measures, number of rebates and custom projects was reviewed and discussed. The 2022 program was briefly reviewed.
13. The General Manager provided a brief update on the activities at Project 10. It was noted that the two capital projects are underway - the backup generator installation has been delayed until August due to the vendor being unable to get parts and the building addition is proceeding as expected with building delivery anticipated in September/October.

Dave DeSimone continues to prepare options for independent reviews of the borescopes and inspection of the generators, including the preparation of financial models for several varying upgrade options. Operationally, Unit #2 had several good starts this month and market capacity has recovered to the point that VPPSA now has excess.

14. The General Manager provided a brief update on several topics, including:
  - 1) NEPPA - The General Manager provided an update on his appointment to the NEPPA Advisory and Reporting Committee and several developments and/or changes in the overall NEPPA Board positions that have recently occurred.
  - 2) Barton/Jacksonville - A brief update related to staff's interaction with Barton and Jacksonville was provided to the Board. It was noted that the General Manager has corresponded with

## APPROVED

Barton's attorney related to perceived confidential information and Jacksonville has hired a part-time replacement for Pam Moore's position; therefore, VPPSA is redefining the split in duties based on that development.

- 3) McNeil District Energy - Discussions continue with BED relative to the District Energy Project. BED was notified that Senator Leahy is seeking \$5 million in the Appropriations Bill to support the project, making the project financially viable. The project continues to be developed with other parties (VGS) being brought into the discussions and documents being developed.

Storage RFP -Staff has been meeting with the round 2 bidders in order develop further insight into their proposed approaches to determine the vendor best suited to a long-term relationship . Staff expects to choose one or two vendors with the next round to occur in late August or early September. A brief update on the storage RFP effort was provided with next steps identified.

- 4) 5-year shaped purchase - Shawn continues to develop the quantities needed for the next 5-year purchase. Recent changes due to Covid and the amount of data required to analyze the purchase have delayed efforts slightly. However, staff still envisions making proposals to each member for quantities within the next 2-months and then proceeding to the market. The goal is to close a transaction by October.

### 15. Board Member Updates

Director Morley mentioned that a committee has been created to look into the potential purchase of the Village of Barton electric utility.

### 16. Executive Session None

### 17. Other Business None

Director Morley motioned to adjourn, seconded by Director Jones. The meeting was adjourned at 1:15 p.m.

Respectfully submitted,

*Crystal Currier*  
Crystal Currier, Secretary