



Special Board of Directors
Meeting Minutes
March 13, 2024

Board of Directors:

X	Vera LaPorte, Barton	X	Jonathan Elwell, Lyndon
X	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
P	Mike Sullivan, Hardwick	X	Stephen Fitzhugh, Northfield
X	James Weber, Jacksonville	X	John Morley, Orleans
X	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Thomas Petraska, Ludlow	X	James Gibbons, BED

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

Alternate Directors present:

Abbey Miller, Enosburg (P)	Lynn Paradis, Swanton (X)
Penny Jones, Morrisville (P)	

Others present:

Ken Nolan, VPPSA (X)	Sarah Braese, VPPSA (P)	Grace Sawyer, VPPSA (X)
Drew Clayson, VPPSA (X)	Steve Farman, VPPSA (P)	Amanda Simard, VPPSA (P)
Apryl McCoy, VPPSA (P)	Lance Woods, VPPSA (P)	Amber O'Neill, VPPSA (P)
Steve Kaminski, Guest (P)	Susan Anderson, Guest (X)	Michael Gadway, Ludlow (X)
Crystal Currier, VPPSA (X)		

Numbers in bold type correspond with agenda item numbers:

- Chairman Fitzhugh called the meeting to order at 9:30 a.m. He requested introductions all around.
- Chairman Fitzhugh asked if there were requests for changes and or/modifications to the current agenda.
- Chairman Fitzhugh asked if there were public comments and/or individuals who would like to address the Board. There was no public comment. The General Manager noted that the Board of Jacksonville Electric Company hired a new manager, James Weber, whom they appointed to the Board of Directors at their meeting on Tuesday March 12th and introduced him.
- The General Manager introduced Public Powers' independent VELCO directors Steve Kaminski & Susan Anderson. The independent directors are attending at the request of the Board of Directors. Each VELCO director gave an overview of their roles, fiduciary responsibilities, and their background. The Chairman gave a brief synopsis of what his interpretation of the definition and role of the elected Independent VELCO directors. The General Manager provided some additional clarity on the negotiation process that created the Independent Director position. There was significant discussion that followed. The founding legislative



APPROVED

documents will be circulated to the Board members and a question was raised about the possibility of creating an interview process or document expressing the public power expectations for their elected VELCO Directors that could be signed on an annual basis.

5. Director Bailey made a motion to accept the minutes of the Board of Directors meeting held February 7, 2024. The motion was seconded by Director Johnstone. Director Weber abstained. Motion carried.

6. Director Johnstone made a motion to approve the Monthly Financial report for the period ending January 31, 2024. The motion was seconded by Director Sheets.

Ms. Sawyer, VPPSA's Controller provided a summary of the operational revenue vs expenses for the period ending January 31st, 2024. Ms. Sawyer summarized the budget to actual variance of the various projects.

There was a brief discussion on the financial results.

The motion was approved.

7. The General Manager presented information requested from the last Board of Directors meeting in relation to the Lyndon Electric past due balance history, VPPSA interest earnings on deposits and VPPSA interest expense on borrowings. He also presented various terms and condition options for the Board of Directors to consider and discuss.

There was a significant discussion around the historical treatment of past due balance situations, the possible terms and conditions, and the determination of how to proceed in this instance. Director Elwell also answered several specific questions that had been posed prior to the meeting. There was significant discussion among the members about the best course of action.

Director Elwell requested that the Board of Directors approve a rate of 2.5% for a term of three years for the \$1.8 million past due receivables to VPPSA.

Director Sullivan made a motion to reject LEDs request and approve having VPPSA waive three (3) additional months of late charges (approximately \$36,000), which would allow LED time to obtain financing after which VPPSA will start charging per policy. Director Sullivan noted that he believed the additional waiver would more than cover the interest difference of the bank financing. The motion was seconded by Director Bailey.

Director Weber requested the same consideration for Jacksonville. Director Sullivan amended the motion to include Jacksonville. Director Bailey seconded the motion. After further discussion the Chair called the vote. The motion was approved with Directors Elwell and Morley opposing.

There was some additional discussion on a different possible option for LED. Director Bailey noted that VPPSA had waived interest for Lyndon since August 2023, and this action could be considered as VPPSA providing Lyndon a roughly \$90,000 grant to cover finance charges.

Broke for lunch @ 12:27 pm

Reconvened @ 12:53 pm

8. The General Manager and Crystal Currier, VPPSA's Member Services Advisor, gave a brief overview of the Financial & CIS Software project that VPPSA is actively coordinating. The General Manager summarized the actions taken to date and the status of the review and analysis around the various options and vendors. He noted that discussing specifics of the proposals would require an executive session, so the conversation continued in more general terms. There are two vendors who have reached the final hurdle for consideration and there are pros and cons to each one. There are some possibilities for the smaller members to sub-contract out specific tasks to a larger member utility if those members chose to move forward without the group, but that is not an ideal solution. There was some discussion about the process, options, and timeline and the

APPROVED

General Manager asked the members to direct any negotiation conversations to VPPSA in the short term to allow for more bargaining power for all the members.

9. Drew Clayson, VPPSA's Power Analyst, provided an overview of the power supply markets, the primary driving factors related to power costs, actual and future energy prices, and the budget vs actual for each member. Mr. Clayson presented a detailed review of the Mystic Station costs by member. Mr. Clayson presented an overview by Member of the new ISO-NE winter fuel program (Inventoried Energy Program) where members saw a charge or credit as an incentive for plants to keep their tanks full. Mr. Clayson also gave an overview of the Renewable Energy Credits. He also provided an overview of the forward sales already under contract for 2023-2025.

10. Sarah Braese, VPPSA's Assistant General Manager briefed the Board on regulatory proceedings of interest including but not limited to any new Rules, updates or changes that have occurred since the prior report, the Clean Heat Standard, and important upcoming dates and deadlines. She noted that there were some new rules around Net Metering and standardized interconnection.

11. Ms. Braese provided an update on the statewide, regional, and national regulatory landscape. She provided a brief Legislative update and highlighted upcoming Renewable Energy Standard compliance filings, recent state and regional Flexible Load Management (FLM) Working Groups, and status update on the EV/EVSE Tariff Rider proceeding. The Legislative Cross-Over deadline is Friday, March 15, 2024. At this time, the General Manager noted that the pending RES bill appears to have lost support to move forward. It may make the cross-over but it is not likely to have any forward motion for the rest of the session. There was a brief discussion around the status of some other bills. VPPSA is finding that anything regarding electric vehicles is often showing up in other bills with more forward momentum under transportation bills.

12. The General Manager gave the GM update summarizing the status of various projects including the IT Cyber review, various Federal Grants, Jacksonville Operations, Barton Operations, Pecos Wind, the AMI project, the GIS project, VPPSA's staffing, multiple Power Projects, and State/Federal Reporting.

The cyber review of VPPA and member systems has been completed and the final reimbursement request has been submitted.

The 2022 Sander Congressionally Directed Spending \$1 million grant was approved on January 23rd and efforts are being made to stand up the program and complete the first amendment. The ACRE grant funding has come in and VPPSA staff has begun discussion on how the program will be designed and managed.

VPPSA staff continues to provide remote accounting assistance for Jacksonville's office operation. As noted earlier a new manager, James Weber, was hired and began work last week. Ms. Parah & Ms. Currier are continuing to work with KBS to finalize the 2022 audit which will allow work to begin on their rate case.

Work is being done to evaluate Ms. Currier's time spent working for Barton with the transition to Director LaPorte and the possibility of hiring a part-time financial assistant.

VPPSA continues to look at options where Swanton hosts the Pecos wind turbines, but the power is used either by another member or in a VPPSA sponsored community wind program.

The AMI project is now up and running and moving forward. Allen Stamp is holding weekly project meetings to push forward, and Jackie Lemmerhirt is actively engaged with Aclara on the meter configuration. A member meeting is planned for late March to review the final configuration proposals. On the regulatory front, Testimony is complete and the DPS has recommended approval. We are still waiting for the PUC to issue its final order.

APPROVED

VPPSA continues to work with mPower to convert GIS operations and have begun on-site Member training. mPower has refined Barton's maps to better accommodate a vegetation management layer and work is moving forward to develop the layer with Barton and Orleans as the pilot group.

Ms. McCoy, VPPSA's Regulatory Analyst, gave her notice over the weekend. The Information Systems Analyst applicants are being selected for interview and Legislative Analyst position interviews have been scheduled. The Power Analyst position remains on hold pending Ms. D'Arcy's return from maternity leave.

VPPSA continues moving forward with several power projects simultaneously. Both solar and battery storage options are being considered or in various stages of negotiations. All of the projects require PPA's with developers, PSA's with the host members taking the power, and testimony from VPPSA supporting the CPG filings.

13. Board Member Updates: Director Fitzhugh mentioned that he would be participating in a panel on resiliency at the Building Better by Design conference and asked if anyone had initiatives that they wanted him to include in his presentation. Director Johnstone let the Board know that yesterday they filed their intent to surrender their FERC license of the Green River Reservoir.

14. Other Business: There has been no change on the McNeil project since the last meeting other than that a new Mayor was elected in Burlington who may be pushing to close the bio-mass plant.

Director Morley made a motion to adjourn the meeting. The motion was seconded by Director Bailey. Motion approved.

The meeting was adjourned at 2:17 p.m.

Respectfully submitted,



Grace Sawyer, Secretary