



Regular Board of Directors
Meeting Minutes
June 5, 2024

Board of Directors:

X	Vera LaPorte, Barton	X	Jonathan Elwell, Lyndon
X	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
	Vacant, Hardwick	X	Stephen Fitzhugh, Northfield
P	James Weber, Jacksonville	X	John Morley, Orleans
	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Thomas Petraska, Ludlow	P	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)	Grace Sawyer, VPPSA (X)	Amy Parah, VPPSA (X)
Amber O'Neill, VPPSA (X)	Steve Farman, VPPSA (P)	Amanda Simard, VPPSA (P)
Adam Cota, VPPSA (X)	Lance Woods, VPPSA (P)	Garth Dunkel, VPPSA (X)
Heather D'Arcy (X)	Jackie Pratt, Stowe (P)	

Numbers in bold type correspond with agenda item numbers:

- Chairman Fitzhugh called the meeting to order at 9:29 a.m.
- Chairman Fitzhugh asked if there were requests for changes and or/modifications to the current agenda. The Chairman requested to add action item to elect a nominee as an alternate for the VELCO Operating Committee.
- Chairman Fitzhugh asked if there were public comments and/or individuals who would like to address the Board.
- Director Sheets made a motion to accept the minutes of the Board of Directors meeting held May 1, 2024. The motion was seconded by Director Dasaro. The motion was approved.
- Director Morley made a motion to approve the Monthly Financial report for the period ending April 30, 2024. The motion was seconded by Director Johnstone.

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Ms. Sawyer, VPPSA's Controller provided a summary of the operational revenue vs expenses for the period ending April 30th, 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.

6. The General Manager opened a discussion on whether to move or cancel the regularly scheduled July 3rd Board meeting.

Director Petraska made a motion to cancel the July 3rd regularly scheduled Board Meeting. The motion was seconded by Director Johnstone. The motion was approved.

7. Chairman Fitzhugh noted that with the departure of Mike Sullivan who filled the position as alternate on the VELCO Operating Committee VPPSA needs to elect a nominee to fill the vacancy. Director Johnstone offered to fill the seat if no one else had interest in the position.

Director Sheets made a motion to endorse Director Johnstone as alternate to the VELCO Operating Committee. The motion was seconded by Director Petraska. The motion was approved.

8. The General Manager reviewed the Strategic Planning process, provided an update on the status of the preparation, and reminded the Board of the ranking due date for the July Strategic Planning Retreat. He gave a brief overview of what the plan for the strategy session currently looks like and asked for feedback from the Board members. Director Morley brought up the concern that it was important to find time to drill down further into what is happening now as well as the future strategy. The General Manager clarified that the lens of the VPPSA employee goals was under the view that each member needs to be strong enough to continue to operate in the future and realizing that there are instances where it makes more sense for VPPSA to facilitate members collaborating instead of trying to centralize. Director Sheets suggested that the Board spend the first hour without the outside consultant doing the SWOT analysis among themselves, Director Sheets also offered to facilitate that part of the meeting. There was discussion on the best way to move forward with the strategic planning and setting the agenda. There was additional discussion around how some recent projects have gone and the direction that VPPSA should take in the future. Chairman Fitzhugh mentioned that there seems to have been an uptick in Board turnover and inability to fill governing body positions or staff positions. Some discussion followed. The strategic plan should be setting the goals for the staff and identifying VPPSA's role in the future for various projects. Director Morley mentioned that he has been giving his trustees a copy of the General Manager's memo from each Board Meeting to educate them on how important VPPSA is to the utility. The first hour of the agenda will be set aside for the Board SWOT discussion and Director Sheets will facilitate. The General Manager suggested asking Jackie Lemmerhirt to attend as well.

9. The General Manager introduced the discussion on several VPPSA grant efforts.
ACRE grant: The ACRE program is intended to allow VPPSA to pass reduced cost solar power on to low-income customers through a subscription program. VPPSA will manage the subscription list, but several member interactions will need to occur in the process. There was discussion on the ACRE grant and how the tariff would be structured. It was also clarified that when the grant funding went away the program would end. AMI grant: Meetings with utility staff are beginning and make-ready work for the DCUs will be starting. Under the DPS reimbursable grant VPPSA will need to "bill" the DPS for member expenditures. Members should record time and materials spent on the AMI project with sufficient backup to send VPPSA an invoice. The VPPSA finance team is working on the best way to handle the billings and treatment of the share not reimbursed by the DPS. Amber O'Neill will be sending each member the specific budget workbook for their utility. Some discussion ensued around the allowable labor costs. Sander's Grant: VPPSA is reaching an agreement with Darn Tough Socks (Cabot Hosiery) to loan them funds from the Sander's Grant to replace and insulate their roof. This will require on-bill repayment so VPPSA will be working with Northfield to determine the best process. While not a grant, the Leapfrog project is reaching the stage of tariff development to make a filing for PUC approval. Initially VPPSA filed a tariff "concept" with the PUC but recently received an Order stating that the PUC cannot

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go further in its process until VPPSA files official tariffs and extensions for approval. Director Johnstone noted that it was about a 3 to 6 month time period once the project was implemented before their software vendor would be able to ingest the information.

10. Heather D'Arcy, VPPSA's Senior 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. Ms. D'Arcy presented a detailed review of the Mystic Station costs by member and 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. Ms. D'Arcy also gave an overview of the Renewable Energy Credits and provided an overview of the forward sales already under contract for 2023-2025. Director Johnstone asked some specific questions related to the Hardwick variances. There was some discussion around loads, load projections and trends for various utilities.

11. & 12. The Board received a written update from the Assistant General Manager on the legislative landscape and the Government Affairs Calendar. The General Manager reviewed the calendar of upcoming events and due dates. He noted the PSD public meeting on the IRA Home Energy Rebates Program was coming up shortly. The General Manager provided a brief update on the statewide, regional, and national legislative & regulatory landscapes. Director Johnstone asked about the status of the Clean Heat Standard and there was some discussion. It was also noted that the General Assembly adjourned on May 11th and will reconvene again on June 17 & 18th to address bills vetoed by the Governor. On the legislative side, most of the bills that passed went through with the language that was desired. The property taxation bill did go through but does not go into effect until July 1st. The RES bill, H.289, is still pending in the upcoming veto session. If it does pass it includes an increase in the allowable yearly rate increase for municipal utilities from the existing 2% annual rate increase to 3%.

13. The General Manager gave the GM update summarizing the status of various projects including various Grants, Pecos Wind, the AMI project, the GIS project, VPPSA's staffing, multiple Power Projects, Banking, Member billing & financial systems, VPPSA's Financial system, Strategic Planning, Hardwick, VPPSA's Policy review, VPPSA office space, the triennial compensation study, Barton operations, and Ludlow.

The 2022 Sander CDS: Staff has continued to work on meeting the Budget Period 1 goals. ACRE grant funding is in hand but awaiting issuance of a CPG for the associated solar project. The SHEI constraint has become an issue in the permitting process and VEC is in opposition. The DPS is drafting a position that would potentially carve out VPPSA member utilities that were located wholly within the SHEI territory. Director Johnstone noted that a path to resolution is already in process with the VELCO transmission line upgrade projects. Grant Management: Amber has been assigned the reporting/billing function related to the grants. She will be tracking compliance issues and working with the grant managers to make sure reporting and invoicing are completed properly.

VPPSA, Swanton, and Pecos personnel completed a site visit at the Swanton wastewater plant on May 6th to determine the outline of a potential lease. Bill Ellis is drafting the lease and PPA documents. The goal is to have a proposal sufficiently complete by July 1st to support a Pecos DOE grant funding submittal.

The AMI project is now up and running and moving forward. Meter configurations are being finalized and DCU visits are underway for tranche 1 members. On the regulatory front, PUC approval is in hand and a compliance filing was submitted which allows for access to both the grant and the capital loan. There is some public outreach that will need to be done soon for those members in the first tranche. There is an opt-out potential, but the General Manager suggested that this could be resolved by only having the person who pays the bill would be able to make the decision.

VPPSA continues to work with mPower to convert GIS operations and on-site Member training is nearing completion. VPPSA remains in discussion with a DeltaclimeVT participant to develop a pilot using their camera-based GIS data gathering tool.

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Garth Dunkel has started as the Legislative Communications Specialist and Adam Cota has started as the Information Systems Analyst. The Power Supply Analyst position is being advertised.

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.

VPPSA's primary lender and General Operating account holder, KeyBank, went through a conversion that resulted in several issues with VPPSA's accounts that are continuing sporadically. This has caused VPPSA to consider other options for its Line of Credit and overall banking relationship(s).

Crystal Currier, VPPSA's Member Support Advisor, is still working on a solution for the smaller utilities that are using NEMRC. Director Johnstone and Alternate Jones mentioned that they were also working on a small utility pricing structure with Harris for their cloud-based solution. There was discussion around cyber-security and cloud-based solutions versus server-based solutions.

VPPSA itself has undergone a review of financial software options. Reviews of NetSuite, Sage, and Microsoft Business Solutions were undertaken. Microsoft was not responsive and fell off the list quickly. A full review of Sage and NetSuite occurred by the finance team, IT manager, and GM, and cost proposals were obtained from both. The finance team unanimously chose NetSuite for functionality and final negotiations have been completed. VPPSA is in the process of implementing a new solution for credit card and expense reimbursements called Ramp.

Hardwick has hired Scott Johnstone as a part time interim manager. Scott will split his time between Hardwick and Morrisville until Hardwick hires a permanent manager. Dave Gagne, VPPSA's Plant Operator, continues to help manage Hardwick's hydro rebuild that should get the plant operational by fall.

The management team is continuing its full review of VPPSA policies looking for ways to delegate more activities, streamline activities, and restructure approval processes.

With new hires expected additional office space has become a question. After looking at options, and existing staff commutes, no viable option for relocation or satellite offices were identified other than potentially in the Swanton area where a cluster of existing VPPSA staff reside. VPPSA will move forward with some of the Office Environments recommendations to accommodate the new hires for 2024 and will continue evaluating whether a Franklin County satellite location ultimately makes sense.

Every three years VPPSA does a compensation study to confirm that salaries are keeping pace with the market trends. Gallagher Flynn has been hired to complete this study for 2024 and results are expected in mid-July.

Vera Laporte, Barton's Manager and John Morley, Orlean's Manager will be meeting with the General Manager to discuss the Barton-Orleans contract and it may be time for a direct contract between the two utilities and to remove VPPSA as the middleman.

Ludlow no longer has a functioning Board of Trustees to make decisions until they elect at least one additional member. They will need to hold a special election to fill the empty seats. This may delay the solar project that was pending approval.

14. Board Member Updates: Director Morley noted that he had been having a hard time hiring tree trimming services. Jackie Pratt, Stowe's General Manager, noted that they have an internal crew that they would be willing to hire out if needed. Director Johnstone asked if anyone had a candidate for the permanent manager position to please send in Hardwick's direction. Director Weber, Jacksonville's Manager, mentioned that they had some wire that they would like to sell to anyone who needed it.

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15. Director Morley made a motion to enter Executive Session, but requested that Grace Sawyer, Jackie Pratt, and James Gibbons stay on for the executive session, under the provisions of 1 V.S.A. §313(a) to discuss the McNeil Generating Plant. The motion was seconded by Director Johnston. The motion was approved.

The Board entered Executive Session at 12:05 p.m.
James Gibbons left the Executive Session at 12:23 p.m.

Director Johnstone made a motion to return to Regular Session, seconded by Director Petraska. The motion was approved.

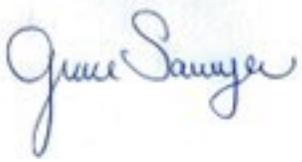
The Board returned to Regular Session at 12:57 pm. No action was taken.

16. Other Business: N/A

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

The meeting was adjourned at 12:58 p.m.

Respectfully submitted,



Grace Sawyer, Secretary