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Regular Board of Directors
Meeting Minutes
June 3, 2026

Board of Directors:

P	Gina Lyon, Barton	P	Jason Lefebvre, Lyndon
X	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
X	Scott Johnstone, Hardwick	X	Stephen Fitzhugh, Northfield
X	James Weber, Jacksonville	X	John Morley, Orleans
X	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Chris Recchia, Ludlow	P	James Gibbons, BED
X	Jackie Pratt, Stowe	X	Sue Trainor, Hyde Park

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

Alternate Directors present:

Penny Jones, Morrisville (X)	Renae DiGregorio, Hardwick (X)
Lynn Paradis, VPPSA (P)	
	Amanda Pike, Jacksonville (P)

Others present:

Ken Nolan, VPPSA (X)	Grace Sawyer, VPPSA (X)	Per Satterberg, VPPSA (X)
Maya Karosas, VPPSA (X)	Morgan Williams, VPPSA (X)	Bill Ellis, VPPSA (P)
Steve Farman, VPPSA (P)	Sanjana Venkatraman, VPPSA (X)	Heather D'Arcy, VPPSA (X)
John Abbott, VPPSA (X)	Josh Bancroft, VPPSA (P)	Amanda Simard, VPPSA (P)
Ian Burke, VPPSA (X)	Amber O'Neill, VPPSA (P)	Ismael Tejada, VPPSA (P)
Kylie Bray, VPPSA (P)	Jack Vaughan, VPPSA (P)	
Michael Gadway, Guest (P)	Carter Aldrich, Guest (X)	

Numbers in bold type correspond with agenda item numbers:

1. Chairman Fitzhugh called the meeting to order at 9:31 a.m.

2. Chairman Fitzhugh asked if there were requests for changes and/or modifications to the current agenda. Director Recchia asked if he could share with the Board Ludlow's Tax Assessment. This was added after agenda #7. The General Manager asked to brief the Board on the 2026 Utility Assessment. This was added after agenda #15.

3. Chairman Fitzhugh asked if there were public comments and/or individuals who would like to address the Board. There was no public comment.

4. Director Weber made a motion to accept the minutes of the Board of Directors meeting held May 6, 2026. The motion was seconded by Director Recchia, motion was approved.

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5. Director Johnstone made a motion to approve the Monthly Financial reports for the period ending April 30, 2026. The motion was seconded by Director Bailey.

Ms. Sawyer, VPPSA's Assistant GM & CFO, provided a summary of the operational revenue vs expenses for the period ending April 30th, 2026. Ms. Sawyer summarized the budget to actual variance of the various projects. A brief discussion ensued. The motion was approved.

6. Ms. Sawyer, VPPSA's Assistant GM & CFO, presented revisions to Financial Policy F1, financial Institution Services Authorization, and Attachment 1. The updates reflect recent staffing changes, implementation of new financial software, and the transition of VPPSA's operating fund to a new financial institution, ensuring alignment with the Authority's current internal control environment.

Director Johnstone made a motion to accept the Financial Policy F1 and Attachment 1 as presented. The motion was seconded by Director Sheets. Discussion ensued. Motion was approved.

7. Ms. Sawyer provided an update on the financing process noting that subscription agreements for the 2026 equity offering have been distributed and the additional equity from VELCO will be included in the financing package pushing the loan closing date out to July and increasing the borrowing amount to just under $27.6 million. The interest rates have shifted but the 15-year loan term remains viable.

The General Manager noted the difficulty of combining 2 equity purchases, and working through who will be borrowing. VPPSA continues working with PFM Financial Advisors and a financing structure has been developed using Community Bank as lead lender and Northfield Savings as participating lender to streamline administration and compliance. Once final terms are set, a special Board meeting may be required to update the previously approved resolution.

The General Manager briefed the board on the ongoing FERC return-on-equity ("ROE") proceedings, noting that Vermont's share of the regional transmission cost settlement is approximately $121 million, but the state is expected to recover about $40 million from the rest of New England, resulting in a net cost of roughly $80 million. To manage the refund, a filing has been made with FERC to create a regulatory asset that would allow the cost to be financed and spread over 10 years rather than being collected within six months. Discussion ensued.

Addition to the agenda - Director Recchia raised concerns about a significant increase in Ludlow's property tax assessment. The state's assessment methodology has evolved over the years—from valuing poles and distribution lines to using customer counts and customer density—and now appears to include substation replacement costs. As a result, the assessed value of the substations increased from about $7 million to nearly $13 million. Board members questioned whether substations should have been included in the state reporting system at all, noting that replacement cost is an unusual basis for assessment and suggesting the increase may have resulted from how the assets were reported. Ludlow plans to grieve the property tax assessment. Discussion ensued.

8. Per Satterberg, VPPSA's Project Manager, reported that AMI DCU deployment is progressing well, with most DCUs installed or commissioned and full deployment expected this summer. Aclara will continue supporting the system through final acceptance, anticipated in late 2026 or early 2027, after which a long-term maintenance plan will be required.

Mr. Satterberg presented Aclara's post-deployment AMI support options and discussed long-term strategies for network administration and maintenance. Three tiers of managed services were reviewed, ranging from basic monitoring and DCU maintenance to more comprehensive optimization, integration support, and priority services. Mr. Satterberg noted the existing contract option, which includes system monitoring and monthly reviews but would require VPPSA and its members to manage ongoing network maintenance.

Also noted was that an internally managed approach would require hiring and training network technician(s), purchasing specialized tools, and maintaining spare parts and DCU inventory. Aclara identified ongoing

maintenance needs including cellular communication adjustments, equipment repairs, and periodic battery replacements, and indicated a willingness to provide training and guidance on spare parts. Mr. Satterberg reviewed the various DCU service needs and possible damage coverage

The General Manager discussed concerns about vendor responsiveness and whether service contracts provide sufficient guarantees for timely support and maintenance. The conversation expanded to the broader challenge of managing AMI software and data systems, where file transfer failures and other glitches can go unnoticed for days or weeks, leading to billing issues. The General Manager suggested that VPPSA may need a dedicated software administrator role to monitor system performance, troubleshoot data flows, coordinate DCU maintenance, and serve as a liaison between vendors and utility line crews to ensure problems are identified and resolved more quickly. Mr. Satterberg will be collecting names of interested technicians from the members. Discussion ensued.

9. The General Manager reminded the Board that the Sanders Grant was originally approved as a revolving loan fund to support Commercial & Industrial energy transformation projects. Amber O'Neill, VPPSA's Senior Staff Accountant, reported that the Department of Energy approved redirecting VPPSA's 2022 Congressional funding award to support AMI project labor costs. Because DOE will not reimburse costs incurred before the approval, Enosburg and Swanton are ineligible for direct reimbursement. To ensure equitable treatment among all members, staff presented a grant allocation and Make Whole Agreement structure that would distribute the funding benefits as originally intended.

Ms. O'Neill explained that this approach would place all members in the same financial position as if each had received a direct share of the grant funding. Discussion ensued.

10. The General Manager updated the Board on the status of Hyde Park. The key areas of update included but were not limited to the §108 petition filing, and the Phase II Rate case status, Operations and VPPSA full membership. Director Johnstone and Director Trainor added some additional details regarding the status. Discussion ensued.

11. Morgan Williams, VPPSA's Power Analyst, gave an overview of the natural gas price trends, actual and future electricity prices and CDA variances by member, day ahead ancillary prices, an overview of the forward purchases and the proposed diversification for the upcoming long term purchase options. Discussion ensued.

12. John Abbott, VPPSA's Regulatory Specialist, provided the Board with a brief review of the Regulatory Landscape. Core areas of the presentation and discussion included but were not limited to recent PUC orders, 25-1094-INV Improvement of EEU & RES Tier III Program efficiency, NV5 EEU feasibility research, GRID grant updates, and upcoming meetings. A brief discussion ensued.

13. The General Manager gave an overview of the Legislative landscape and end of session status. The core areas of the presentation and discussion included but were not limited to portable solar, single plant, disconnections & consumer protections, GHG Inventory, Transportation Bill and Data Centers. A short discussion ensued.

14. Chairman Fitzhugh opened the floor to allow VPPSA representatives from the Vermont System Planning Committee (VSPC) and VELCO Operating Committee updates. Director Johnstone noted there was discussion about flat load in shoulder season, CIP compliance and outreach coordination across ISO-NE, there were no other updates to relay.

Director Gibbons mentioned ISO is essentially not following their own requirements for dispatch limitations when sending designated dispatch points to the gas turbine. This is also happening to GMP. Discussion ensued.

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15. The following are Board member updates: Director Pratt announced that the utility plans to file for a 16% rate increase by the end of the week, its first rate adjustment since December 2022. She also informed the group about a statewide emergency preparedness exercise called "Dark Current" scheduled for July 30 in Waterbury. Organized by the Vermont Department of Public Service, Vermont Emergency Management, the FBI, and distribution utilities. The exercise will simulate a winter storm outage followed by a cyberattack. Utilities are encouraged to have both operations and IT personnel participate.

Director Johnstone gave an update on how Hardwick Electric is facing an unexpected mid-year challenge as the community seeks to restore a pharmacy lost in the 2023 flood. The only suitable location identified for the new pharmacy is the utility's current office building, so Hardwick Electric is exploring relocating its operations to a different property, potentially an old tree company building.

Director Bailey updated the Board that Johnson staff are moving into a new facility, eliminating the longstanding issues with mold in the shop. The transition is still underway but the project appears to be a major success, resulting in a new $2.2 million facility with no impact on local taxpayers.

Director Weber reported Jacksonville Electric experienced three unplanned system-wide outages in three weeks due to work being performed by Green Mountain Power (GMP), which supplies its power through a shared substation. The outages are tied to GMP's ongoing resiliency projects and recloser operations, negatively affecting reliability metrics even though Jacksonville has little control over the interruptions. Discussion ensued.

Director Dasaro announced Enosburg Electric hired Caroline Marcy as their new Finance Director and that Miss Marcy is expected to become VPPSA's Alternate Enosburg Director at the next Trustee meeting.

Chairman Fitzhugh reported that 350 Vermont is contacting utility customers and offering to notify them when they can help reduce peak electric demand. Discussion ensued. Chairman Fitzhugh also reported they have a customer that is off-grid and they wanted to be net metered using an integrated converter. Discussion ensued.

Addition to the agenda, The General Manager reviewed the draft 2026 Utility Assessment results from the DPS. Discussion ensued.

Chair Fitzhugh recessed the meeting for lunch at 1:00pm
The meeting was reconvened at 1:25 pm

16. Other business: N/A

Executive Session:

Director Sheets made a motion to find that premature public knowledge regarding legal litigation and contractual negotiations would place VPPSA at a substantial disadvantage. The motion was seconded by Director Weber. Motion was approved.

Director Weber made a motion to enter Executive Session, under the provisions of 1 V.S.A §313(a)(1)(E) to discuss the Fidium contract and VELCO equity offerings, and that the General Manager, Assistant GM, Bill Ellis, and the member finance staff in attendance be authorized to participate. The motion was seconded by Director Recchia. The motion was approved.

The Board entered executive session at 1:26 pm.

Director Recchia made a motion to return to the Regular Session, seconded by Director Weber. The motion was approved. The Board returned to open session at 2:06 pm.

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Director Weber made a motion to adjourn the meeting. The motion was seconded by Director Recchia. Motion approved.

The meeting was adjourned at 2:06 p.m.

Respectfully submitted,

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Amy Parah, Secretary