DRAFT

Vermont Public Power Supply Authority

Regular Board of Directors
Meeting Minutes
September 2, 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
	James Weber, Jacksonville	X	John Morley, Orleans
X	Erik Bailey, Johnson	X	Bill Sheets, Swanton
	Chris Recchia, Ludlow	P	James Gibbons, BED
X	Jackie Pratt, Stowe		Sue Trainor, Hyde Park

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

Alternate Directors present:

Penny Jones, Morrisville (P)	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 (P)
Heather D'Arcy (X)	Morgan Williams, VPPSA (P)	Amanda Simard, VPPSA (P)
Kim Harris, VPPSA (X)	John Abbott, VPPSA (X)	Jay Brauch, VPPSA (P)
Amy Parah, VPPSA (X)	Josh Bancroft, VPPSA (P)	Doug Westlund, Guest (P)
Ian Burke, VPPSA (P)	Sanjana Venkatraman, VPPSA (P)	Mark Atkins, Guest (P)
Kylie Bray, VPPSA (P)	Beth Parent, VPPSA (X)	Oswald Parmar, Guest (P)
Michael Gadway, Guest (P)	Ismael Tejada, VPPSA (X)	Shawn Nailor, Guest (X)
Michael Miller, Guest (P)		

Numbers in bold type correspond with agenda item numbers:

1. Chairman Fitzhugh called the meeting to order at 9:30 a.m.

2. Chairman Fitzhugh asked if there were requests for changes and/or modifications to the current agenda. The General Manager added Agenda item #8a, temporary designation of regular meeting location.

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 Sheets made a motion to accept the minutes of the regular Board of Directors meeting held August 5, 2026. The motion was seconded by Director Bailey, motion was approved.

5. Director Johnstone made a motion to approve the Monthly Financial reports for the period ending July 31, 2026. The motion was seconded by Director Morley.

Ms. Sawyer, VPPSA's Assistant GM & CFO, provided a summary of the operational revenue vs expenses for the period ending July 31, 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 F3, Financial Internal Controls. The updates reflect better segregating of duties and alignment with staffing.

Director Johnstone made a motion to accept the F3 Financial Policy. The motion was seconded by Director Sheets. Motion was approved.

Director Johnstone made a motion to accept the Member Advance Policy F8, including Attachment 1: Scoring Matrix Summary and Attachement 2: Detailed Scoring Matrix as presented. The motion was seconded by Director Sheets.

Ms. Sawyer presented the finalized Member Advance Policy F8. Staff has developed a comprehensive Member Advance Policy to create a consistent, transparent framework for evaluating and managing member financing requests. The policy establishes eligibility criteria, financial review requirements, risk assessment standards, approval authorities, and ongoing monitoring procedures to support member utilities while protecting VPPSA's financial resources. Discussion ensued.

Motion was approved.

7. Director Johnstone made a motion to approve the 2026-03 Board Resolution, Office Renovation Financing as presented. The motion was seconded by Director Morley.

Ms. Sawyer, VPPSA's Assistant GM & CFO, presented the Board with the estimated project cost and financing options for the Office Renovation. VPPSA is seeking approximately $1.5 million in financing for its headquarters renovation and parking expansion project, while also refinancing an existing $45,000 mortgage balance. After reviewing proposals from three lenders, staff recommended Mascoma Bank based on its lowest interest rate, competitive terms, and potential for a broader banking relationship, which would provide additional strategic value to VPPSA. The General Manager gave an update on the renovation timeline.

Motion was approved.

8. Director Johnstone made a motion to refund the remaining McNeil fund balance in the amount of $164,330.72 and apply the credit to the August invoice and to transfer said amount from the R&C account to the McNeil operating account. The motion was seconded by Director Sheets.

Ms. Sawyer, VPPSA's Assistant GM & CFO reminded the board that VPPSA includes a capital improvement charge in monthly McNeil invoices to collect funds for facility upgrades and help avoid large fluctuations in participant billing. Although this reserve funding mechanism is no longer required because the McNeil bonds have matured, VPPSA has continued the practice to smooth costs over time.As of June 30, 2026, all capital improvement expenses have been fully covered by the reserve fund, leaving a remaining balance of $164,330.72. Staff therefore recommended returning the unused balance to members as a credit on their July McNeil invoice. Motion was approved.

8a. The General Manager informed the Board, due to renovations at VPPSA headquarters a temporary location for the Board of Directors meeting needs to be designated. VPPSA is proposing the Capital Plaza Hotel and Conference Center in Montpelier as the temporary location for regular Board meetings, beginning immediately and continuing until the headquarters is available again or a new location is designated. Regular meetings will continue to be held at 9:30 a.m. on the first Wednesday of each month. The October 7, 2026 regular meeting will be at the Stoweflake Conference Center in Stowe. Agendas will continue to be posted on the VPPSA website at least 48 hours in advance of meetings, in compliance with Vermont Open Meeting Law.

Director Morley made a motion to approve the 2026-04 Board Resolution, Temporary Designation of Regular Meeting Location and Public Notice Requirements as presented. The motion was seconded by Director Bailey. Motion was approved.

9. The General Manager introduced Shawn Nailor from the state office of Digital Services. Mr. Nailor is the retired Vermont Chief Information Officer and former Secretary of the Agency of Digital Services who returned in a part-time role to support statewide cybersecurity initiatives. He has spent the past few years helping lead programs outside ADS's traditional mission, including the State and Local Cybersecurity Grant Program, the Cybersecurity Advisory Council, and other efforts aimed at strengthening cyber resilience across Vermont.
Mr. Nailor highlighted the federally funded initiative designed to help local governments strengthen cybersecurity, reduce risks to public services, and improve their ability to prevent, respond to, and recover from cyber incidents. The program is particularly focused on helping communities with limited resources, staffing, or technical expertise make meaningful cybersecurity improvements. The program's four core objectives are to establish effective cybersecurity governance and planning, assess existing systems and risks, address the most critical cybersecurity vulnerabilities, and build a skilled cybersecurity workforce through training and awareness. Together, these efforts help municipalities develop a practical, long-term approach to improving cyber resilience. Discussion ensued.

10. The General Manager introduced Acumen (AESI). AESI is a cyber and compliance consultant that is a Hometown Connections partner. They provide support for cyber security and NERC compliance issues. Acumen introduced themselves, their background with VELCO, Burlington Electric and Joint Action Agency experience. Regulatory compliance, Operational Technology, Cyber & Physical Security.

11. Ms. D'Arcy, VPPSA's Manager of Power Supply, gave an overview of the natural gas price trends, actual and future electricity prices and July monthly CDA variances by member, July month to date and year to date day ahead ancillary prices, year-to-date CDA variances and general updates. Discussion ensued.

Chair Fitzhugh recessed the meeting for lunch at 12:03pm
The meeting was reconvened at 12:28

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, 25-0339 DPS Grid Resilience Report: DU Comments, 26-0602 PUB IRP Requirements for Consolidated Communications, 25-1203 EVT DRP, DPS Data request, EVT update, GRID grant updates, and upcoming meetings. Ms. D'Arcy shared that the DPS recently proposed to eliminate Tier 3 EV credits and redirect them toward multifamily charging, but utilities pushed back, arguing it would severely weaken existing Tier 3 programs. While DPS appears to have paused the idea, some utility leaders believe it reflects a broader effort to make Tier 3 compliance harder and eventually shift program control and funding from utilities to Efficiency Vermont. A brief discussion ensued.

13. Ms. Parent, VPPSA's Manager of External Affairs and Communications, introduced herself and let the Board know that VPPSA is actively preparing for the upcoming legislative session by working with its lobbyist, Primmer Piper, and drafting potential bill language. Staff are coordinating with the Department of Public Service to better understand its priorities and align strategies ahead of the November election, which will significantly influence legislative outreach efforts.
In parallel, VPPSA is launching a comprehensive communications and marketing campaign to raise public awareness of local public power utilities before the legislative session begins. The campaign will leverage local newspapers, social media, and targeted media outlets to emphasize the value of local ownership, safety, reliability, and especially affordability, which was identified as a key message likely to resonate across the political spectrum.

The General Manager further filled the Board in on the advice from Primmer Piper to finalize VPPSA's bill in the next few weeks and introduce it first in the Senate, where leadership and committee structures are expected to remain relatively stable. Because the House is likely to see significant turnover and uncertainty, including a new Speaker and Energy Committee leadership, they recommend waiting to determine the best approach there and potentially introducing a companion bill later. They also advised keeping the proposal as a single bill rather than splitting it into multiple pieces. At the same time, VPPSA is watching DPS and the Governor's office, as there is an expectation the administration may take an aggressive policy stance this session, creating potential challenges despite some apparent alignment in discussions. 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 the Operating Committee meeting was largely routine, but a key update was that VELCO and GMP reported they are close to finalizing a data-sharing agreement after roughly 18 months of negotiations. As a result, they plan to revive the data subcommittee to implement the agreement.
There was also a caution that utilities will likely be asked to review and potentially adopt the framework that emerges from the GMP agreement. While GMP has indicated it secured important concessions that utilities may find favorable, the details have not yet been shared, so members should be prepared to closely review the proposal when it is released.

15. The following are Board member updates:

Director Sheets gave recognition to the crews from Enosburg, Morrisville, and Stowe for providing mutual aid following a major windstorm that caused exceptionally severe and highly localized damage. Swanton's crew worked approximately 25 consecutive hours, and support from neighboring utilities was credited with helping restore service more quickly. Also noting that experienced line workers described the damage as unlike anything they had previously seen, with evidence suggesting a microburst or possible tornado activity, including reports of a nearby funnel cloud.

Director Morley expressed growing frustration with the Integrated Resource Plan (IRP) process, arguing that it is expanding beyond its original purpose of resource and power planning into broader state policy issues such as equity and environmental justice. Several participants questioned whether customers are actually asking for these topics and suggested the requirements are adding complexity, cost, and administrative burden.

Director Johnstone reported that the Hardwick Electric Department's rate case has been pending for approximately 15 to 16 months despite being noncontroversial and supported by a signed memorandum of understanding. While the utility has been billing at interim rates, the prolonged delay has forced it to file another rate case, creating the prospect of multiple rounds of customer refunds. The discussion highlighted concerns about the financial strain these regulatory delays can create, particularly the challenge of managing cash flow when large refund obligations may result in little or no revenue being collected for a period of time. Members suggested this reflects a broader issue with the length of the rate case approval process.

Executive Session:

Director Sheets made a motion to enter Executive Session, under the provisions of 1 V.S.A §313(a)(10) to discuss a cyber event and VPPSA's response. The motion was seconded by Director Dasaro. The motion was approved.

The Board entered executive session at 1:15 pm.

Director Morley made a motion to return to the Regular Session, seconded by Director Dasaro. The motion was approved. The Board returned to open session at 1:45 pm.

16. Other Business: No other business

Director Johnstone made a motion to adjourn the meeting. The motion was seconded by Director Sheets. Motion approved.

The meeting was adjourned at 1:46 p.m.

Respectfully submitted,

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Amy Parah, Secretary