



Regular Board of Directors
Meeting Minutes
October 7, 2026

Board of Directors:

X	Gina Lyon, Barton	X	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
	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Chris Recchia, Ludlow	X	James Gibbons, BED
P	Jackie Pratt, Stowe		Sue Trainor, Hyde Park

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

Alternate Directors present:

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

Others present:

Steve Farman, VPPSA (P)	Grace Sawyer, VPPSA (X)	Per Satterberg, VPPSA (P)
Heather D'Arcy, VPPSA (X)	Morgan Williams, VPPSA (P)	Amanda Simard, VPPSA (P)
	John Abbott, VPPSA (X)	Jay Brauch, VPPSA (P)
Amy Parah, VPPSA (X)	Josh Bancroft, VPPSA (P)	Maya Karosas, VPPSA (X)
Ian Burke, VPPSA (P)	Sanjana Venkatraman, VPPSA (P)	Codie Perry, NEPPA (P)
Kylie Bray, VPPSA (P)	Beth Parent, VPPSA (X)	Sarah Kubik, NEPPA (P)
Michael Gadway, Guest (P)	Ismael Tejada, VPPSA (P)	Bill Vuyancih, Questline (P)
Amber O'Neill, VPPSA (P)	Bill Ellis, VPPSA (P)	Lewis Doner, Questline (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. Ms. Sawyer added #16 discussion item to the agenda related to the financial policies that the DPS wants at the request of Director Morley.
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 September 2, 2026. The motion was seconded by Director Morley, and the motion was approved.

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5. Director Weber made a motion to approve the Monthly Financial reports for the period ending August 31, 2026. The motion was seconded by Director Recchia.

Ms. Karosas, VPPSA's Controller, provided a summary of the operational revenue vs expenses for the period ending August 31, 2026. Ms. Karosas summarized the budget to actual variance of the various projects. A brief discussion ensued. The motion was approved.

6. Ms. Kubik and Mr. Perry, representing NEPPA, spoke to the board about training opportunities. NEPPA has scheduled a Crew Leadership Training event at Morrisville Water & Light in December and is seeking a minimum of 10 attendees to support the program. NEPPA has been exploring opportunities to expand training offerings in Vermont. The goal is to develop a local training plan for the coming year. Discussion ensued. NEPPA will be distributing to VPPSA and the Board, a list of training classes that could be brought to Vermont.

7. Ms. Sawyer, VPPSA's Assistant GM & CFO informed the Board that discussions with Questline began at the Hometown Connections Annual meeting as part of efforts to explore customer communication tools for VPPSA members. The platform supports the development of customer newsletters and automated communication campaigns, including onboarding email series for new customers covering topics such as utility services and billing information. Following a demonstration to VPPSA staff, the platform was evaluated for potential inclusion in the FY27 budget. Mr. Doner and Mr. Vuyancih presented their platform and demo to the Board. A lengthy discussion ensued. The Board requested further discussion and possibly having a Lunch & Learn session to review this further.

8. Ms. Sawyer, VPPSA's Assistant GM & CFO debriefed the Board on the Leadership Summit that was held on September 23rd. Staff have sent out a survey seeking ways to improve next year's event and collecting notes from the table discussions as the 2027 planning begins. The Board expressed positive feedback from attendees, who valued the opportunity to connect with commissioners, trustees, utility managers, and VPPSA staff. Participants appreciate being able to put faces to names, build relationships, and gain new perspectives through informal conversations and networking. Suggestions for improvement included encouraging all speakers to use microphones, reducing side conversations that could distract from presentations, providing photos or better introductions of VPPSA staff, and incorporating an icebreaker activity to help attendees connect earlier in the event. There was also discussion about exploring different scheduling options, including a daytime or full-day format. Overall, attendees felt the summit was a valuable and successful event that strengthened connections among utility leaders and board members.

9. Ms. Sawyer, VPPSA's Assistant GM & CFO, presented the FY27 Budget draft. Key takeaways include workforce investments, financing and debt-related costs, reduced non-member revenue and project funding requirements. Discussion ensued.

Chair Fitzhugh recessed the meeting for lunch at 12:24pm

The meeting was reconvened at 1:00.

10. Ms. Sawyer, VPPSA's Assistant GM & CFO, discussed proposed changes to member and project fee billing in response to ongoing concerns and confusion about the administrative fee currently included on individual project invoices. The administrative fee, which is actually a project participation fee, is intended to cover the costs of managing and implementing specific projects and is charged only to the utilities participating in those projects. Beginning in 2027, VPPSA is considering removing these fees from individual project invoices and instead issuing a single monthly invoice containing all member fees and project participation fees. However, several members expressed concern that this change would make accounting and cost tracking more

DRAFT

difficult, as project invoices would no longer reflect the full cost of each individual project. The Board generally felt the current structure provides better visibility into project-specific expenses and suggested that clearer labeling or additional education about the fees may be a better solution than changing the billing process. The discussion highlighted a difference in perspective between managers seeking simplicity and accounting staff who rely on detailed project-level cost information. As a result, the expectation is that VPPSA will revise the fee descriptions and provide additional guidance on what the charges cover, while continuing to bill the fees through the individual project invoices as it currently does.

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 August monthly CDA variances by member, August month-to-date and year-to-date day ahead ancillary prices, year-to-date CDA variances and general updates. 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, 25-1786 Rulemaking to Update PUC Rule 5.100 and Regulation Pertaining to Construction and Operation of Net-Metering systems, and 26-1762 ACT 144 Legislative report on projected regional REC market conditions 2027-2035. Mr. Abbott also updated the Board on 25-0339-INV DPS Grid Resilience workshop, Tier III program data reporting, Grid Grant updates and DPS EV/EVSE Characterization measures. A brief discussion ensued.

13. Ms. Parent, VPPSA's Manager of External Affairs and Communications, provided an overview of policy changes the Department of Public Service is considering for the upcoming legislative session, with affordability identified as the primary focus. Proposed changes include converting the Renewable Energy Standard (RES) to a Clean Energy Standard, which is projected to save approximately \$30 million through 2035 without increasing emissions, and combining Tier 2 and Tier 4 requirements while reducing the overall obligation by 50%. The department is also proposing a \$40/MWh alternative compliance payment for the combined tier. The proposal that generated the most concern was a requirement for utilities to meet clean energy standards on a quarterly rather than annual basis beginning in 2030, which participants felt would be very difficult to implement. Members were advised that economically viable solar projects qualifying under Tier 2 and Tier 4 should continue moving forward despite the proposed changes. The group also discussed efforts to reinstate AMI opt-out charges, noting that both the Department of Public Service and many legislators appear supportive of the concept.

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 discussed several upcoming industry and regulatory issues, highlighting two key items for members to watch. First, utilities are expected to receive draft data-sharing agreements from Velco, based on a framework reportedly developed with Green Mountain Power. Members were encouraged to review the agreements carefully, as there will likely be provisions requiring feedback despite expectations that the draft will be an improvement over the previous proposals. Second, ISO New England is expected to require utilities to submit SCADA implementation plans by July 2027. While utilities may not ultimately be required to deploy SCADA systems, they will need an approved plan outlining how they intend to comply. The group noted that VPPSA's ongoing SCADA consultant procurement could help support member compliance efforts, though questions remain about ISO's specific requirements, operational expectations, and whether utilities must maintain 24/7 operational capabilities.

15. The following are Board member updates:

DRAFT

Director Recchia noted the DPS is supporting the proposed 7.2% rate increase but attached several conditions. Most notably, DPS is requiring another rate filing within 12 months to begin rebuilding cash reserves. DPS also criticized the utility for allowing reserves to decline from approximately \$6 million in 2020 to essentially zero and suggested that a rate increase should have been pursued sooner. In response, staff pointed out that a rate increase was requested in 2023, seeking a 5.62% adjustment, but regulators approved only a 1.91% increase at that time, citing concerns that the utility had excessive cash reserves. The discussion highlighted the apparent inconsistency between prior regulatory decisions and the current expectation that reserves be replenished.

Alternate Director Mason noted Lyndon plans to file what was described as a “3% quick rate case” to provide initial funding for future capital needs. Earlier in the year, the utility determined that a rate increase was not immediately necessary, but after further review of its capital requirements, leadership concluded that a modest increase could help generate seed money to support long-term planning efforts. The utility is developing a formal five-year operating and capital budget while also extending its planning horizon to ten years to better forecast expenses and infrastructure needs. Management emphasized that having an approved multi-year budget and capital plan will be a critical component of supporting future rate requests and ensuring the utility is positioned to address long-term investments.

Director Johnstone discussed emerging regulatory concerns related to hydroelectric facilities and dam ownership. It was noted that the state is reportedly advocating for the Federal Energy Regulatory Commission (FERC) to assume jurisdiction over certain currently non-FERC-regulated hydro plants, a move that could create significant compliance and financial burdens for affected utilities, including facilities such as Hardwick’s hydro project. Participants expressed concern that expanding federal oversight could have substantial impacts on smaller or legacy hydro operations.

The discussion also highlighted pending regulatory changes affecting older dams that are no longer used for power generation but remain utility-owned assets. New state rules expected to take effect by July 1, 2027 could significantly increase annual compliance and maintenance costs for dam owners, with estimates ranging from \$25,000 to \$40,000 per year. Members suggested that the underlying policy direction appears aimed at encouraging utilities to relinquish ownership of these legacy structures, potentially leading to dam removal or transfer to other owners.

Director Dasaro thanked Swanton for all their help with completing an upgrade on their system, Enosburg was able to cut over in one day.

Director Morley and Director Lyon provided an update for Barton. The Dutton Brook Road system improvement project, which was originally intended to be funded through a resiliency grant but had to move forward before grant funding was available. The project became more challenging and expensive than anticipated when one property owner declined to grant a right-of-way or easement, forcing a portion of the work underground through extensive solid ledge excavation. Despite those difficulties, progress has otherwise gone smoothly, with other property owners cooperating on easement requests. The work involves replacing aging cross-country lines and small copper conductors, relocating facilities to roadways, and completing voltage conversion projects to improve reliability. The utility also reported completing the Tysers Road voltage conversion project and continuing system upgrades with the installation of a recloser at the hydro facility and the purchase of another recloser for the substation serving Charleston.

Director Lefebvre updated the Board on Lyndon. The (AMI) project is progressing, with test meters expected to be deployed by the end of the week. At the same time, staff have been focused on a major NISC software



DRAFT

implementation, with vendor personnel working onsite for nearly three weeks to support the implementation. Looking ahead, the utility plans to begin the process of upgrading and rebuilding the 345 Burke substation early next year. Additionally, management is preparing a proposed budget for board approval and intends to move forward with a 3% rate increase request, which will help support upcoming capital and infrastructure needs.

Director Morley provided an update on its ongoing rate case, noting that the initial revenue requirement indicated an 18% rate increase, which has since been reduced to approximately 6.02%. A major issue in the case is the requirement to rebuild cash reserves while minimizing impacts on a large industrial customer, Ethan Allen. Utility leadership has been meeting with state officials, including regulators and economic development representatives, to discuss ways to avoid rate structures that could significantly increase costs for major employers and potentially threaten local jobs. The utility is also seeking flexibility to continue necessary system upgrades and capital investments without placing undue financial burdens on a single customer class.

The discussion highlighted broader concerns about balancing financial sustainability, infrastructure investment, and customer affordability. Regulators have indicated that rebuilding cash reserves may occur over a multi-year period, with a portion of future rate increases dedicated specifically to reserve funding. To ensure transparency, the utility plans to segregate reserve-related revenues into a separate account and track them independently. Members noted that this rate case may become an important precedent for how regulators address cash reserves and customer impacts in future utility cases. The utility also reported that its AMI deployment is largely complete and progressing well, although a small number of meters continue to experience data integration issues between systems that are being actively addressed.

Director Fitzhugh gave the Northfield reported that its battery energy storage project is nearing installation, marking a significant milestone in its system modernization efforts. Progress on the AMI deployment has generally been positive, although challenges were encountered while integrating water meter readings, largely due to setup and configuration issues that have since been identified and corrected. Electric meter installations have proceeded without major problems, and the utility is exploring the use of contracted crews from Massachusetts to help accelerate electric meter deployments.

The group also discussed a grant opportunity involving several utilities, including Barton, and received an update on Noteworthy AI's asset inspection technology. Using advanced imaging and data collection, Noteworthy AI has surveyed utility lines and created a detailed, searchable inventory of pole assets. The system allows utilities to view individual poles, identify equipment types and attachment locations, and quickly generate lists of assets with specific characteristics, such as porcelain pin insulators. Participants viewed technology as a valuable tool for improving asset management, inspection, and maintenance planning.

16. Other Business: Director Morley discussed efforts related to Integrated Resource Planning (IRP), particularly the need for consistent long-term financial and capital planning among Vermont's municipal utilities. Members noted that recent IRP guidance emphasizes the development of five-year capital plans and formal financial policies. The Board acknowledged that similar attempts at standardization have been challenging in the past, as utilities occasionally made local policy changes without broader coordination. However, there was a sense that regulators are currently encouraging greater collaboration among municipal utilities, creating an opportunity to streamline the process. Members suggested leveraging existing policy templates from organizations such as VPPSA, VLCT, and individual utilities, then working together to develop a common set of



DRAFT

regulator-approved financial policies and planning tools. The goal would be to reduce duplication of effort, improve consistency, and standardize something going forward. Director Pratt suggested using the financial metrics policy based on APPA recommendations and forwarded a copy of that to Ms. Sawyer. Director Morley also asked if VPPSA could start developing some of those financial policies.

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

The meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Amy Parah, Secretary