

**APPROVED**

**Vermont Public Power Supply Authority**  
**ADVISORY & RISK MANAGEMENT BOARD COMMITTEE**  
**MEETING MINUTES**  
November 8, 2017

Committee Directors present (X indicates present):

X	John Morley III, Orleans	Steve Fitzhugh, Northfield
	Reginald Beliveau, Swanton	James Pallotta, Ludlow

Other Directors present:

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Alternates present:

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Others present:

Ken Nolan, VPPSA	Amy Parah, VPPSA	David Gagne, VPPSA
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(numbers in bold type correspond with agenda item numbers)

- (1) The meeting was called to order at 9:38 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont. In the absence of Chairman Beliveau, Director Morley, administered the meeting.
- (2) Director Morley, asked if there were requests for changes and/or modifications to the current agenda. There were none.
- (3) Director Morley asked if there were public comments and/or individuals who would like to address the Board. There was no public presence and therefore no comments were made.
- (4) Due to a lack of quorum, action on the minutes was deferred.
- (5) The General Manager reminded the Committee that at the October Board meeting, power supply policy P3 was presented and subsequently approved. During the policy discussion, it was noted that policy P3 incorporated information from several other policies; however, the other policies were not reviewed. Policies P1 & P2 were provided to the Committee with the recommendation that the Board officially rescind these policies since the information contained within them, was incorporated into policy P3. The committee had no objection to management's recommendation.
- (6) The General Manager informed the Committee that per VPPSA's annual process, staff has reviewed the Personnel Guidelines to insure they continue to comply with the latest legal requirements, and to address any ambiguities that surfaced in the past year. This year the revisions are minor and mostly intended to conform the Guidelines to Internal Operating



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Procedures that have been put in place. The Committee discussed the proposed changes and the Committee expressed no objections.

(7) The General Manager reviewed the Board's decision at its October meeting to move the bi-monthly committee meetings from the third Wednesday to the second Wednesday in January, March, May, July, September, and November.

The November committee meetings were warned as "special meetings" and the proposed Resolution would merely codify the new meeting dates and make them regular committee meetings.

(8) The General Manager presented the second draft of the proposed 2018 Operating budgets. The changes in the general operating revenues and expenses were reviewed and it was noted that these changes result in an additional *decrease* in budget costs of approximately \$4,200 when compared to the draft presented at the October Board meeting. This additional decrease results in an overall increase of approximately \$14,013 or .6% when compared to the 2017 budget. It was also noted that the McNeil data was received from BED and the McNeil budget is updated with those numbers. The primary increase in the McNeil budget is due to an increase in expected capital improvements due to the major turbine overhaul that will take place in 2018. It was noted that the Project 10 budget does not include the decrease in debt service due to the bond refunding since the new bonds have not been issued and the new debt service schedule has not been determined as of this budget draft. The most significant changes occurred in the RES budget. Based on feedback after the October Board meeting VPPSA staff re-evaluated how the VPPSA overheads are associated with generally managing the RES program and regulatory efforts versus those specifically needed to manage the EV pilot. This analysis resulted in a significant reduction in the RES budgeted cost. Director Morley asked to review the Net Metering Project budget in detail, including an explanation of why this project is important to VPPSA members. The General Manager reviewed the various issues members were having managing net metering credits, especially with group systems, and noted that the existing software VPPSA provided was not designed to address the latest net metering rules. The new software would be built from the ground up to comply with the new rules, and would incorporate input from member billing staff. Director Morley also asked that VPPSA review the allocation of costs among members to assess whether a retail sales or customer count allocator was more appropriate. The General Manager indicated that staff would evaluate this issue.

VPPSA staff will continue to refine the budget and it is expected the final draft will be presented to the Board for Board approval at the December Board meeting.

(8) Other Business: NONE

The meeting was adjourned at 10:42 a.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary

