

APPROVED

Vermont Public Power Supply Authority

MINUTES OF THE BOARD OF DIRECTORS MEETING

April 3, 2019

Directors present (X indicates attendance in person, P indicates attendance by phone):

	Evan Riordan, Barton		James Pallotta, Ludlow
X	Jonathan Elwell, Enosburg	X	Bill Humphrey, Lyndonville
X	Mike Sullivan, Hardwick	X	Craig Myotte, Morrisville
P	Carol Robertson, Hyde Park (9:40 am)	X	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	X	John Morley, Orleans
X	Meredith Birkett, Johnson	X	Reginald Beliveau, Swanton

Alternates present:

Lynn Paradis, Swanton	Penny Jones, Morrisville
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Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Amy Parah, VPPSA
James Gibbons, BED	Jeff Graham, Graham & Graham	

(numbers in bold type correspond with agenda item numbers)

- (1) The meeting was called to order at 9:32 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- (2) Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda.
- (3) Chairman Beliveau 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) Director Fitzhugh made a motion to accept the minutes of the Regular Board of Director's meeting held on February 6, 2019. The motion was seconded by Director Humphrey. Motion approved.
- (5) Director Humphrey made a motion to accept the minutes of the Special Board of Director's meeting held on March 28, 2019. The motion was seconded by Director Fitzhugh. Motion approved.
- (6) Director Morley made a motion to accept the Treasurer's report as of February 28, 2019 as presented. Director Humphrey seconded the motion.



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VPPSA staff provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs. The financial results for the period ending February 28, 2019 indicate operational expenses being under-budget by approximately 4.6%.

This includes payroll and overheads that are under-budget by 9.1% and office supplies and expenses are over-budget by approximately 5.4%. Expenses exceeded revenues by approximately \$97K for the year (less than the budget expectation of \$112K).

The motion was approved.

(7) Director Morley made a motion to approve Resolution 2019-04 (Audit Report and Acceptance) as presented. The motion was seconded by Director Humphrey.

Jeff Graham, of Graham & Graham PC was in attendance to present the 2018 audit report. Mr. Graham provided a brief report on the Authority's net position, all of which he indicated was positive. It was noted that all debt covenants were met. A review of the new accounting pronouncements (pension, debt, lease) were reviewed and it was noted that they don't necessarily apply to VPPSA, and for those that do, they are not required until 2019.

Directly Morley asked if there was a list of debt in the report. The tables of existing debt and future maturities were reviewed. Directly Morley also asked Mr. Graham if he had any concerns with the report. It was noted that the only concern may be Hyde Park's membership withdrawal (not necessarily a concern related to this report but may have a future effect).

The motion was approved.

(8) The General Manager and Director Fitzhugh informed the Board that Vermont Electric Cooperative (VEC) and VELCO have been working with Northview Weather LLC to develop and implement weather forecasts for use in storm conditions. At the March VELCO Operating Committee meeting, VEC brought forward a proposal to have all of the Vermont distribution utilities participate in a contract with Northview Weather that would be managed by VELCO. Information from VELCO's legal counsel was provided that identified the estimated cost if all utilities participated and the cost was billed under the VELCO's current transmission cost share structure. Director Fitzhugh mentioned that each member would need to understand the benefits this program would offer in order to determine if they would like to participate.

There was a brief discussion regarding the value and the cost of participating in the program. The Board discussed this new program, the potential benefits and how it compares to the previous UTOPUS program. The general consensus was that VPPSA members did not see the value from this type of program for small compact distribution utilities, and therefore they could not justify participation based on the information provided to date. Director Fitzhugh and Director Myotte indicated they would convey this to the Operating Committee.

(9) The General Manager explained that as he recently visited the individual utilities, he specifically asked Jacksonville and Ludlow if there was anything VPPSA could do to facilitate more participation in Board meetings. Director Moore indicated that while she would like to physically attend more meetings, Jacksonville's small staff and the 3-hour drive make it difficult.

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The General Manager requested feedback regarding a proposal for VPPSA to hold at least one meeting (potentially October) per year at a more southerly location, potentially off the I-91 corridor, south of White River Jct. The Board was very open to moving one or more meetings to a southerly location or even other member locations.

(10) The General Manger provided a brief overview of the discussions from the Generation & Other Assets committee meeting held on March 13, 2019. They include: a review of Project #10 activities, an update on VPPSA's solar RFP projects (projects in Morrisville, Hardwick, Northfield, Johnson), updates on the Standard Offer Projects, and the benefits of the Load Reducing Resources.

(11) The Legislative and Regulatory Affairs committee met on March 13th. The General Manager provided a brief report on the discussions from that meeting and related to current legislative activities. Those include: Electric vehicles, EV charging stations, VPPSA's proposed Section 108 revisions, and language in the Governor's budget bill. Director Morley requested an update on the issue/concern with Broadband. The General Manager indicated that it is expected that the legislature will require a study over the summer to determine the potential hurdles and benefits of electric utilities installing broadband in their territories. The Board had a brief discussion regarding broadband and there was a consensus that the municipal utilities need to ensure they have representation at these future discussions.

(12) The VELCO Board meetings (regular, annual strategic planning meetings) will be held on Thursday, April 4th. Re-election of Officers will take place, the regular meeting will follow, and a strategic planning session will occur in the afternoon.

Director Fitzhugh reported on the VELCO Operating committee meeting activities. This includes: a visit from EVT, an update on Emerald Ash borer, discussions on cyber security, discussion on Northview Weather and SHEI activities.

A motion was made by Director Morley to suspend the regular meeting to hold the VPPSA annual meeting. The motion was seconded by Director Sullivan and was approved. The meeting was suspended at 11:20 a.m.

The Regular Board meeting reconvened at 12:40 p.m.

(13) Staff Reports – No other staff reports were provided.

(14) Director Elwell made a motion to enter Executive Session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues and to provide an evaluation of the General Manager. The motion was seconded by Director Birkett. The motion was approved.

The Board entered Executive Session at 12:40 p.m.

The Board returned to Regular Session at 1:05p.m.

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Director Elwell made a motion to accept the employee evaluation for the General Manager and to implement a 3% increase in pay effective with the next pay period. The motion was seconded by Director Sullivan. The motion was approved.

(15) Other Business: None.

The meeting was adjourned at 1:08 p.m.

Respectfully submitted,

Crystal L Currier

Crystal Currier, Secretary