

APPROVED

Vermont Public Power Supply Authority
MINUTES OF THE BOARD OF DIRECTORS MEETING

June 5, 2019

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

	Vacant, Barton		James Pallotta, Ludlow
X	Jonathan Elwell, Enosburg	X	Bill Humphrey, Lyndonville
	Mike Sullivan, Hardwick	P	Craig Myotte, Morrisville
X	Carol Robertson, Hyde Park (by phone until 10:20)	X	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	X	John Morley, Orleans
X	Meredith Birkett, Johnson	X	Reginald Beliveau, Swanton

Alternates present:

Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Melissa Bailey, VPPSA
Julia Leopold, VPPSA	Paul Lambert, Efficiency VT	Barry Hulce, Efficiency VT
Jackie Lemmerhirt, Lemmerhirt Consulting	John Guerin, Tangent Energy Solutions	Shawn Borden, Tangent Energy Solutions

(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. There were no changes.
- (3) Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. The General Manager introduced Julia Leopold, VPPSA's new Communications Specialist.
- (4) Director Morley made a motion to accept the minutes of the Regular Board of Director's meeting held on April 3, 2019. The motion was seconded by Director Myotte. Motion approved.
- (5) Director Fitzhugh made a motion to accept the Treasurer's report as of April 30, 2019 as presented. Director Birkett 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 April 30, 2019 indicate operational expenses being under-budget by approximately 6.9%.

This includes payroll and overheads that are under-budget by 9.9% and office supplies and expenses are under-budget by approximately .5%. Expenses exceeded revenues by approximately \$59K for the year (less than the budget expectation of \$105K).

The motion was approved.

(6) Director Fitzhugh made a motion to approve Resolution 2019-03 (Investment Policy Statement) as presented. The motion was seconded by Director Humphrey.

VPPSA staff provided a short overview of the materials included within the board materials. An overview of the primary components includes:

- 1) Current plans – review of the current plans offered by VPPSA
- 2) Resolution 2019-03, Investment Policy Statement – the statement primarily identifies VPPSA's retirement plans, fiduciary roles and guidance for certain fiduciary responsibilities. This document is typically reviewed on an annual basis to ensure the language is current and relevant. A few minor changes were made for consistency.
- 3) Fee Disclosures – the fee disclosures are prepared by a third-party vendor and provided annually with the primary purpose of “disclosing” plan fees and investment information to the Plan Sponsors (VPPSA).
- 4) Plan Investment Options – a request was received to add several new plan investment options. VPPSA staff requested that Poulos Investment Advisors review the options and provide a recommendation. Of the six investment options, three were recommended (as noted in the materials). It is the intent that the Chairman and General Manager will approve the options as recommended.

Director Fitzhugh asked how often VPPSA reviews the performance of the third-party administrator and/or the investment advisor. It was noted that it has not been done for some time. VPPSA staff has discussed this internally and will be looking at this over the next year.

The motion was approved.

(7) Director Fitzhugh made a motion to approve the Project #10 2019-2020 FY Budget as presented. The motion was seconded by Director Birkett.

The Board was reminded that VPPSA staff prepares the annual FY budget due a requirement in the Power Sales Agreement and a calendar year budget is prepared due to a requirement in the General Bond Resolution. Since VPPSA completes a calendar year budget, the latter half of the FY budget will be updated during that CY budget process. This budget includes a minor change (decrease of approx. \$61K) to the Jul – Dec 2019 period, primarily related to fuel expense. The budget was reviewed by the Generation and Other Assets Committee and there were no objections to the budget as presented.

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The motion was approved.

(8) The General Manager reminded the Board that VPPSA has been working with Encore Renewable Energy and Morrisville Water & Light for some time to develop the ER Lawrence Brook solar Project (2.2 MW solar array located in MWL’s service area). Under the proposed arrangements, Encore will develop and own the solar array, VPPSA will enter into a 25-year PPA with Encore to acquire all of the output (capacity, energy, RECs, etc.) and VPPSA will enter into a Power Sales Agreement with MWL, whereby MWL will acquire all the products from the facility. This structure is similar to long-term arrangements VPPSA has entered in the past and is one that we envision using more with future solar projects with Encore. VPPSA Policy P3 (Power Supply Authorities) allows the General Manager to enter a PSA with MWL; however, the policy does not delegate authority to enter long-term PPA’s between VPPSA and third-party providers. Therefore, in order to fully effectuate the transaction, the request is for Board approval to enter into the PPA with ER Lawrence Brook LLC.

Director Humphrey made a motion to authorize the General Manger to take all action necessary to consummate a Power Purchase Agreement with ER Lawrence Brook, LLC. The motion was seconded by Director Fitzhugh. The motion was approved. Hyde Park abstained.

(9) The General Manger reminded the Board that VPPSA has been working with EVT for over a year to develop reporting that provides greater context into how member EEC funds are expended and the value produced. The member reports were provided in the materials previously sent to the Board. Paul Lambert and Barry Hulce from Efficiency Vermont were present to discuss member concerns. Mr. Lambert recognized that there were some discrepancies in the reports and that the level of information for specific projects may not be incorporated into the report (rather, some of the information is general in nature).

Director Morley asked for clarification on the Orleans specific report and there was a brief discussion regarding the “non-incentive” component included within the report. Director Birkett requested that the “projections” and “actuals” are specifically labeled and not commingled in the same chart. Director Elwell noted that since the numbers are simply projections, it becomes confusing since the members are more interested in “actual” results not just projections.

Director Robertson noted that Hyde Park and Efficiency Vermont worked very well together with Hyde Park specific projects and she encouraged more engagement between the members and Efficiency Vermont. Mr. Lambert indicated that when there is more communication, Efficiency Vermont has more knowledge about the specific service area and can then provide more value to the member’s service area.

There was discussion around low-income projects and incentives versus other programs. Several members were very interested in low-income programs and others were more interested in all programs (not just low-income) – Efficiency Vermont indicated they can offer assistance with all projects/incentives/programs and they can offer the services specific to the needs of each member’s service area. The discussion further evolved into the fees collected from members, what programs those fees support and EVT’s role and what programs they offer.

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Efficiency Vermont indicated they were pleased with the discussions resulting from the reports and felt they had accomplished their goal. Mr. Lambert and Mr. Hulce committed to continue revising the reports based on the feedback received and continuing the conversations.

(10) Following up on the AMI workshop held on March 28th, staff was instructed to move toward a Request for Information (RFI) seeking information about possible AMI systems that could meet member needs. VPPSA staff has been working with Lemmerhirt Consulting to develop the RFI questions that would be posed to potential vendors. The latest draft of questions was provided to the Board. Jackie Lemmerhirt was available at the meeting to discuss the questions and address any additional questions from the Board regarding the process. It was noted that the RFI questions would go out to potential vendors the week of June 10th with responses required in mid-July. The process and timeline moving forward was discussed briefly.

(11) The General Manager reminded the Board that VPPSA is offering a number of rebates in the RES program. There has been some confusion among the members regarding what VPPSA is offering. Ms. Bailey provided an overview of VPPSA's Tier 3 obligations, the present Tier 3 program offerings and VPPSA's strategy for future plans. VPPSA's primary Tier 3 programs include rebates for: electric vehicles, cold climate heat pumps, heat pump water heaters and other electric vehicle supply equipment.

Board discussion ensued on other program offerings and how VPPSA incentives coordinated with Efficiency Vermont incentives. There was also discussion about other utilities incentives and whether VPPSA was considering adding those program options.

(12) The General Manager informed the Board that VPPSA's new Communication Specialist (Julia Leopold), started work on April 22nd. Ms. Leopold provided a brief presentation describing the communications initiatives already underway. Those activities include: making VPPSA's website more customer friendly, implementing a style guide for future communications, creating newsletters (internal and external), updating the RES rebate forms and the formal launch of Facebook and Twitter (scheduled for Thursday, June 6th). Ms. Leopold provided examples of Facebook/Twitter posts and explained how social media works. Overall, the goal is to raise brand awareness, have a common voice (one that represents enthusiasm, bold, upbeat, helpful and casual) and provide a mechanism to reach our member's customers.

(13) The General Manager updated the Board on the status of Barton Electric. At this time, the Village has no General Manager or field staff and the Trustees have had to take over the majority control of operations. In the short-term, they have contracted with VEC to manage field operations to ensure they can meet service requirements. In the long-term, it has prompted the Trustees to consider all options for future operation including the sale of the utility.

The Board discussed the possibility of the utility being purchased by a Cooperative rather than another municipality and expressed concern with this outcome. The General Manager was asked to express to Barton's Trustees how important VPPSA felt it was to maintain municipal ownership and offer VPPSA member support as the Trustees move toward a decision.

(14) Generation and Other Assets Committee – no further report was provided.



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- (15) Legislative and Regulatory Affairs – no further report was provided.
- (16) No VELCO reports were provided.
- (17) Staff Reports – No other staff reports were provided.
- (18) Potential Executive Session – no executive session was necessary.
- (19) Other Business: There was a brief discussion regarding the level of participation in the Board’s Committee meetings. Several Directors indicated conflicts with the Committee and Regular Board meeting days and times. A doodle poll will be sent to the Board to determine the best timing for the Members.
- (20) John Guerin and Shawn Borden from Tangent Energy Solutions were present to discuss their company, what it might be able to offer the VPPSA members and what they are doing for other municipalities. Mr. Guerin and Ms. Borden provided a brief overview of the company and noted that they typically modify their existing software programs (designed to help customers monitor demand peaks and manage loads) to each customer’s specific needs. Ms. Borden provided a presentation that demonstrated their portal, examples of data that would be pulled into the portal and the information that can be tracked using the data.

The Directors questioned whether the services Tangent provided shifted costs between utilities, what types of data were required and how the information was imported to the Tangent system, whether the software could be utilized with water and wastewater control systems, and how Tangents turn-key solutions could be implements.

The meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Crystal L Currier

Crystal Currier, Secretary