



Advisory and Risk Management Committee Meeting

9:30 AM, May 14, 2020
REMOTE VIA PHONE/WEBEX

CALL IN NUMBER: 1-773-231-9226
MEETING ID: 802 244 7678#
<https://meetings.ringcentral.com/j/8022447678>

Directors

Reg Beliveau, Swanton	Steve Fitzhugh, Northfield	
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Agenda

Allotted number of minutes set forth in bold type after each item

1. Call to Order
2. Consideration of changes/modifications to agenda (3)
3. Public comment (**3**)
4. Minutes of the Advisory & RMC Meeting held on July 10, 2019 (**3**)
5. Minutes of the Advisory & RMC Meeting held on September 11, 2019 (**3**)
6. Minutes of the Advisory & RMC Meeting held on November 13, 2019 (**3**)
7. Minutes of the Advisory & RMC Meeting held on March 12, 2020 (**3**)
8. Resolution 2020-07 VPPSA Pension Plan Changes-CARES Act (**5**)
9. Barton Status Update (**15**)
10. Broadband Discussion (**15**)
11. Finance Charge Policy Amendment (**15**)
12. Covid-19 Changes to VPPSA Operations (**15**)
13. Other business

CC:

Vacant, Barton
Gary Denton, Enosburg
Pam Moore, Jacksonville
Thomas Petraska, Ludlow
Clay Bailey, Lyndonville
John Morley III, Orleans

Tin Barton Caplin, Barton
Mike Sullivan, Hardwick
Mac Butova, Jacksonville
Deb Keller, Ludlow
Penny Jones, Morrisville
Marilyn Prue, Orleans

Jonathan Elwell, Enosburg
Meredith Birkett, Johnson
Phil Wilson, Johnson
Bill Humphrey, Lyndonville
Jeff Schulz, Northfield
Lynn Paradis, Swanton

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Advisory and Risk Management Meeting Minutes

July 10, 2019

Committee Directors:

P	Reginald Beliveau, Swanton	X	Steve Fitzhugh, Northfield
	James Pallotta, Ludlow		

Other Directors present:

X	John Morley, Orleans		
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

None	

Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Julia Leopold, VPPSA
Amy Parah, VPPSA		

Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 9:34 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- 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 were no public comments.
- 4.** Director Beliveau made a motion to approve the minutes of the Advisory & RMC meeting held on November 14, 2018. The motion was seconded by Director Morley. The motion was approved. Director Fitzhugh abstained.
- 5.** Director Fitzhugh made a motion to approve the minutes of the Advisory & RMC meeting held on May 8, 2019. The motion was seconded by Director Morley. The motion was approved. Director Beliveau abstained.
- 6.** VPPSA staff informed the Committee that a full review of all VPPSA organizational policies, procedures and benefits are taking place. The staff met to review the organizational policies and the comments/changes based on those discussions (if applicable) are highlighted in the policies

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that were distributed to the Committee. The staff provided a brief overview of the policy changes. The Committee specifically discussed the following:

- G2- Director interaction with the media
- OP1 - Computer security, passwords and cyber security
- P3- Power supply ratios (forecasted vs actual)

The Committee did not object to any of the changes as presented. It was noted that the Board will be requested to approve the policies as revised at the August BOD meeting.

7. The General Manager reminded the Committee that one of the goals stated at the offsite retreat was having VPPSA manage the RES Tier 3 programs on behalf of the members. This goal implies a higher level of activity and involvement than VPPSA has taken in the past. At the same time, the VPPSA staff has been discussing how to maximize its communications capabilities, as well as, how to comply with regulatory requirements that members provide "best practice load control" as part of their Tier 3 programs. It was noted that in order to accomplish these and other related activities, VPPSA will need access to members' customer information. The Committee and staff discussed what information is readily available, the concerns that might arise from VPPSA having this information and other general marketing programs that might be useful.

The General Manager informed the Committee that staff has reached out to Great Blue Research about the feasibility of conducting a member-wide customer survey. This survey would provide key information regarding customer satisfaction, knowledge, attitudes and interest in a variety of areas. Since this type of outreach would require contact with end-use customers, the Committee was asked if there were any concerns or parameters members may want to place on the effort. The primary concerns were related data privacy and Great Blue's company history (who are they, references, etc.)

Director Morley asked what VPPSA will do with the information once they have it. The General Manager indicated that the intent is for the customer information to be used to conduct the survey and potentially to allow outreach on Tier 3 and load control programs (such as e-mail/text messages being sent to notify customers of peak times). Any other uses would also need to be approved by the members. It was noted that VPPSA staff is continuing to work with Great Blue to develop a budget that is manageable and Great Blue would be invited to the next Board meeting so that the Directors can gain more information and become comfortable with the company.

8. The General Manager reminded the Committee that the Strategic Planning Retreat was conducted on June 18th (Board) and June 19th (staff), with Tim Blodgett from HomeTown Connections facilitating. The feedback subsequent to the retreat was positive and both the Directors and staff were satisfied with the results. The Committee discussed the vision, mission, values and the list of "goals" and the "areas of focus" that resulted from the effort. It was noted that the staff has subsequently had several discussions/debates regarding the vision and mission and the changes in those statements were discussed. The goals and areas of focus were reviewed in more detail and it was noted that the staff continues to develop these further.

The General Manager reminded the Committee of the many hours over the past several months that staff has dedicated to strengthening the relationship with EVT leadership. That effort seems to be working, in that the PUC will soon be beginning several cases related to the utility/EVT structure and EVT has put forward initial positions that are more in alignment with VPPSA's viewpoints. One key area of discussion is earmarking a portion of EEC funds for individual utility programs. Given that one of the strategic goals was to have VPPSA be more involved with electrification efforts, VPPSA would not want EVT directly related in that realm and EVT agreed. VPPSA has suggested that 50-75% of the EEC be earmarked for local programs. The Committee discussed the idea of

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aggregating the VPPSA member's EEC funds and the fact that EVT may be willing to increase the amount earmarked if the funds are aggregated. The idea was well received.

9. During the strategic planning effort, the General Manager noted that he was able to spend a significant amount of time with Tim Blodgett discussing the public power landscape in Vermont. The VPPSA membership was discussed and it was noted that VPPSA is entering a time of risk. Mr. Blodgett highlighted that this same issue is prevalent across the country and that there is a need for a focused communications strategy and a detailed understanding of the specific value the public power utility brings to the community. With the addition of VPPSA's new Communication Specialist, VPPSA is rapidly developing the tools we need to perform these types of communications; however, VPPSA may not fully understand all of the benefits each member brings to their specific communities. Hometown Connections provides a service designed to help public power utilities identify and quantify the intrinsic value of these benefits. HCI has provided a proposal for helping VPPSA's members understand this issue. The General Manager requested feedback from the Committee as to whether utilizing HCI to develop "Value of Public Power" material would be worthwhile. The Committee liked the concept but questioned whether HCI would be needed to actually perform that analysis or whether higher level guidance in what types of issues to consider might be sufficient. The committee asked for more information on how HCI would obtain the information, the types of information that would be used and what types of results would be provided.

10.Other Business: NONE

The meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Crystal L Currier

Crystal Currier, Secretary

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Advisory and Risk Management Meeting Minutes

September 11, 2019

Committee Directors:

X	Reginald Beliveau, Swanton		Steve Fitzhugh, Northfield

Other Directors present:

X	John Morley, Orleans		
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

None	

Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Amy Parah, VPPSA
Julia Leopold, VPPSA		

Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 9:37 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- 2.** Director Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were none.
- 3.** Director Beliveau asked if there were public comments and/or individuals who would like to address the Board. There were no public comments.
- 4.** The minutes of the Advisory & RMC meeting were tabled due to a lack of quorum.
- 5.** VPPSA staff reminded the Committee that Vt. Transco will be offering equity later this year. It is expected that TRANSCO will make one offer, that is expected to be funded in two segments - one in November (reissue of the LCSF equity buyback) and one in December (BED SF equity buyback). VPPSA staff has notified the members of the equity issuance and has requested a response as to whether each member expects to purchase the equity directly or if they will assign the units to VPPSA. In order to effectuate the VPPSA purchase, the Board will be asked to approve Resolution 2019-06. This Resolution authorizes the financing of the VPPSA purchase. It was noted that the Resolution indicates an interest rate no greater than 5%; however, based on the responses from lenders thus far, the actual rate is expected to be less than 3%. The Committee did not have objections to the Resolution as written.



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6. The General Manager informed the Committee that staff has been working on the 2020 Operating budgets but a draft was not complete in time for the meeting. However, it was noted that several areas of the budget have been under discussion and the General Manager indicated that he would like feedback from the Committee so that their comments could be factored into the budget draft that will be presented to the Board on October 2nd. The high-level items reviewed include:

Revenues:

Hyde Park is completely removed

2019 Standard Offer revenues of \$130K (revenue for May-Dec 2020)

Expenses:

Added AMI Project – the General Manager explained that VPPSA is currently in the AMI RFI process. The next step will be the RFP process and it is currently assumed that all members will participate through this process and the project budget would be amended once the RFP process is complete. The project concept was discussed briefly – the parts of the project that could be centralized at VPPSA and the components that may be at the member level. Director Morley questioned how members that don't participate initially, could participate in the future. The option of adding non-members was also considered.

Salaries – includes 3% increase

Health Insurance – currently includes 12.5% increase

Travel – significant increase of 32% (based on strategic plan, added staff, etc.)

Communications – increased media presence, planned events, etc.

Information Technology – 28% increase – mobile workforce, cyber security

Depreciation – increase for building renovations

Outside Services – includes architect, strategic plan, BED

Preliminary Results:

Expenses increased 6.2% (offset by Standard Offer revenues)

Member cost increased .7%

Member cost increase ranges from 1.6% - 7.5%

Project budgets still being developed

The Committee did not object to the 3% salary increase or the AMI project concept (project includes RFP process and will be amended going forward).

Additional Services - The General Manager indicated that he is currently looking at software developed by mPower, a GIS software vendor out of Minnesota. Several of the members already use mPower and the General Manager indicated that mPower may be willing to provide a member-wide license for the VPPSA members that would either be hosted by VPPSA or at mPower and managed by VPPSA. If this service were to move forward, it would require additional staff at VPPSA. Costs related to additional services are not currently in the budget it is expected that the budget will be updated after the Board retreat on September 24th (if needed).

7. The General Manager reminded the Committee that the Strategic Planning Retreat for the Board is being held on Tuesday September 24th. This retreat is specifically to focus on how to better utilize VPPSA and the services that VPPSA can provide. The General Manager will provide a broad overview of the agenda and will identify both internal and external challenges that the Board has previously raised. Tim Blodgett from Hometown Connections will then facilitate the discussion with the Board. The General Manager requested information from the Committee regarding topics that they felt would be important to discuss during this meeting. The primary topic discussed was related to member operational activities that could be considered contract services and moved to VPPSA.



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8. Other Business: NONE

The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Crystal L Currier
Crystal Currier, Secretary

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Advisory and Risk Management Meeting Minutes

November 13, 2019

Committee Directors:

X	Reginald Beliveau, Swanton		Steve Fitzhugh, Northfield

Other Directors present:

X	John Morley, Orleans	X	Bill Humphrey
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

None	

Others present:

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Julia Leopold, VPPSA

Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 9:40 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- 2.** Director Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were none.
- 3.** Director Beliveau asked if there were public comments and/or individuals who would like to address the Board. There were no public comments.
- 4.** The Minutes of the meeting held July 10, 2019 were tabled due to lack of a quorum.
- 5.** The Minutes of the meeting held September 11, 2019 were tabled due to lack of a quorum.
- 6.** The General Manager reminded the Committee that like the policies and procedures, each year the staff reviews the Benefits Guidelines to ensure compliance with any changes in law during the previous year and to assess whether the guidelines continue to provide the best framework for the organization. While there were no specific changes in law, there were several areas where the staff felt changes would be appropriate to enhance operations. The areas where changes occurred include:

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No smoking policy
Office Hours and Flex Time
Overtime
Domestic Partners
Sick Leave Donation
Health Insurance

The Committee discussed each of the topic areas, with the primary areas of focus surrounding the office hours/flex time, sick leave and health insurance. The Committee had no objections to the changes.

- 7.** The General Manager provided an update on the progress of the 2020 Operating budgets. Several minor changes were incorporated after the last Committee meeting and further review at the Board of Directors meeting. The changes since the first draft include:
- a. Increased revenues of approximately \$3K due to anticipated Transco purchase
 - b. Change in health coverage from BCBS to MVP Healthcare
 - c. Employee elections to health care coverages
 - d. McNeil budget updated with BED budgeted data
 - e. Reduction to AMI contract services
 - f. Reduction in P10 budget due to calculation errors
 - g. Updated RES budgeted based on 2019 actual Tier 3 activity

The changes noted above result in an overall decrease of 3.7% or \$397K as compared to the 2019 budget. While expenses are up, project costs are down significantly (primarily McNeil).

- 8.** The General Manager reminded the Committee that during the Strategic planning process the Board identified four (4) areas that they would like the staff to focus. Those include: 1) GIS/Mapping, 2) Engineering, 3) AMI, and 4) Management/Staffing.
1. GIS/Mapping – staff continues to solidify the software costs with mPower and the other required staff needs to meet this objective.
 2. Engineering – continued efforts on estimated cost of potential staff Engineering assuming that VPPSA pays for a full-time position. VELCO has also expressed a willingness to look at providing engineering services to VPPSA under a contract arrangement but those details are vague at this point.
 3. AMI – AMI is currently included in VPPSA's 2020 Operating budgets through the RFP stage. This effort will be reassessed in 2020 when the RFP process is complete.
 4. Management/Staffing – this effort has been somewhat challenging and to some degree will be dependent upon the decision on how to utilize the engineer position. A draft list of functions that would be required has been developed but further discussion with the Barton/Orleans management is needed to put specific plans in place.

The Committee discussed each of the topic areas and specifically, the costs and the allocation of those costs related to each initiative. The Committee was supportive of the new initiatives.

- 9.** During the previous discussion regarding the additional services VPPSA may undertake as a result of the Strategic planning process, several new positions were discussed. The General Manager requested that the Committee enter executive session to discuss potential staff changes.

Director Humphrey made a motion to find that premature general public knowledge of the Authority's discussions and/or negotiations with existing and potential employees would place the Authority in a position of substantial disadvantage during such negotiations. Director Morley seconded the motion. The motion was approved.



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Director Humphrey made a motion to enter executive session to discuss employment relations as allowed under the provisions of Title 1, Section 313 (1)(B) of the Vermont Statutes. The motion was seconded by Director Morley. The motion was approved and the Committee entered Executive session at 11:45 am.

The Committee returned to general session at 12:20 pm. No action was taken.

- 10.**Other Business: Director Morley provided a brief update on the status of the Village of Barton's operations.

The meeting was adjourned at 12:20 p.m.

Respectfully submitted,

Crystal L Currier

Crystal Currier, Secretary

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Advisory and Risk Management Meeting Minutes

March 12, 2020

Committee Directors:

P	Reginald Beliveau, Swanton		Steve Fitzhugh, Northfield

Other Directors present:

X	Bill Humphrey, Lyndonville	X	Tom Petraska, Ludlow
P	Craig Myotte	X	John Morley, Orleans

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

Alternates present:

None	

Others present:

Ken Nolan, VPPSA	Amy Parah, VPPSA	

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.** Director Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were none.
- 3.** Director Beliveau asked if there were public comments and/or individuals who would like to address the Board. There were no public comments.
- 4.** The Minutes of the meeting held July 10, 2019 were tabled due to lack of a quorum.
- 5.** The Minutes of the meeting held September 11, 2019 were tabled due to lack of a quorum.
- 6.** The Minutes of the meeting held November 13, 2019 were tabled due to lack of a quorum.
- 7.** The General Manager reminded the Committee that at the last Board meeting the consensus was to allow Board members to self-select committee assignments and attend any meeting they chose. The General Manager explained that as a governmental body this approach presents a few challenges in order to comply with open meeting laws. There was a discussion regarding the



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options (keeping the current structure, self-selecting assignments, assignments by the Chair), the possibility of creating committee charters and the language that would be required. The consensus was that the Chair should not appoint a specific person to be on a Committee. It should be voluntary but strong encouragement from the Chairman may be helpful. Some solutions discussed were, explicitly keeping the Committee meetings informal with no authority to vote (if this could legally eliminate the need for a quorum) although this approach created a concern that the committee meetings' purpose would be eliminated, or revert back to monthly Board meetings. Further discussion will be on the agenda at the April Board meeting.

8. The General Manager updated the Committee on the continued steps taken to refine VPPSA's proposal for management services to Barton. Those include: 1) the proposal has been shared with relevant staff, Board members and legal counsel, 2) a draft contract between Barton and VPPSA has been developed and is under review, 3) a draft contract between Lyndonville and VPPSA is being developed, 4) VPPSA staff has reviewed Barton's FY20 to understand how the existing VEC contract is embedded in Barton's budget and developed a draft reflecting VPPSA's proposed cost structure as a replacement, and 5) the Field Service Manager position has been posted for hire.
9. The General Manager noted that during his member outreach visits, several members have mentioned an interest in battery storage at their substations. There was a discussion regarding the interest in battery storage, battery storage partners that have been reaching out to various entities in Vermont and the timing for VPPSA to potentially issue a storage RFP, similar to the approach that was taken with regard to solar in 2017. The Committee was asked for their feedback as to whether this effort is something that VPPSA staff should proceed with and if so, how to approach the project. Members are interested in what services will be provided, price, requirements, location and economic sense. Concern for chemicals, and recycling when its useful life is up were also discussed.

The General Manager also informed the Committee that Melissa Bailey was testifying at the Legislature at this moment on the Senate Finance Committee's proposal to increase Vermont's RES to 100% and double Tier 2 requirements from 10% to 20% by 2030. The draft Bill Ms. Bailey is testifying on would establish a new requirement for utilities to build small in-state renewables co-located with storage. The General Manager expressed this as yet another example of the growing pressure to begin evaluating storage options, and suggested to the Committee that staff felt an RFP would also be useful in refuting some of the claims being made in legislative discussions with actual developer pricing information. This will be discussed further at the Legislative and Regulatory meeting later today.

10. The General Manager informed the Committee that several issues have surfaced with regard to VPPSA's access to customer information and the relationship with the VPPSA members. Specifically: 1) during the Great Blue Research survey, VPPSA was not able to obtain customer contact information from some members; therefore, Great Blue needed to purchase this information from mailing list sellers; 2) while processing Tier 3 rebates, VPPSA staff is experiencing difficulty verifying that the rebate submitters are actually VPPSA member customers and expects this difficulty to increase as the VPPSA programs ramp up; and 3) some VPPSA members have expressed concern that VPPSA staff is getting between the members and their customers from a communication and key account perspective. The concerns and difficulties that these issues bring to the table were discussed. The General Manager informed the Committee that he had discussed the issue with legal counsel and had received the advice to seek a PUC order allowing VPPSA access to member customer data as an extension of the members. The Committee supported moving forward with this PUC filing. A secondary conversation around the mechanics of the VPPSA/member relationship in dealing with customer outreach would be useful to minimize future frictions as VPPSA's RES Tier 3 programs continue to expand. If time allows at the April meeting Julia Leopold and Great Blue will speak about the challenges that have surfaced to date to help

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frame the broader Board discussion. If this conversation cannot occur in April due to time constraints it will occur in June.

11.Other Business: None

The meeting was adjourned at 11:09 a.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary

Memorandum

To: Board of Directors – Advisory & RMC
From: Ken Nolan, General Manager
Date: March 6, 2020
Subject: **Agenda Item #8** – Pension Plan Covid Related Changes

As part of the CARES Act in response to the Covid-19 pandemic Congress passed a series of changes to employees' ability to access pension and retirement plan funds to cover immediate costs.

In order to activate these changes each retirement plan sponsor needs to affirmatively agree to the changes for their specific plans. VPPSA offers both a pension plan and an associated 457 plan.

After reviewing the CARES Act changes both Crystal and I determined that allowing employees to access the new benefits would not place any new burdens on VPPSA. I proceeded to notify the Board that absent opposition I would move forward with approving the plan changes as the VPPSA Plan Administrator and would seek ratification of the action at the June Board meeting (Resolution 2020-07 attached).

Responses were only received from three members, and all were supportive of moving forward. I therefore approved the changes and instructed our pension advisor to implement them.

Since this is scheduled for the June Board meeting we wanted to give the Committee an opportunity to review and discuss the changes if desired.

Vermont Public Power Supply Authority

Resolution 2020-07

Ratification of Pension/457 Plan Changes Related to Cares Act

WHEREAS, On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), and

WHEREAS, the CARES Act includes a number of tax provisions related to Retirement plans as noted in the attached "Sponsor Election to allow Coronavirus-Related Distributions and Loans" (the "Sponsor Election"), and

WHEREAS, the Plan Administrator has authority to make the CARES Act related revisions under VPPSA's pension plan governance documents, but has traditionally sought a vote of the Board of Directors before implementing any amendments, and

WHEREAS, due to time sensitive nature of authorizing the Sponsor Election, the General Manager as the Plan Administrator notified the Board of his intent to sign the Sponsor Election and sought any objections to the action, and

WHEREAS, hearing no objections from Board members the General Manager, acting as Plan Administrator, signed the Sponsor Election on May 3, 2020,

IT IS HEREBY RESOLVED THAT the Board of Directors ("the Board") of the Vermont Public Power Supply Authority ("the Authority") hereby ratifies the action of the General Manager, as Plan Administrator, to sign and approve the "Sponsor Election" allowing Plan Participants the ability to access Retirement and 457 plan funds to cover immediate costs as outlined in the attached Sponsor Election.

Adopted by the Board of Directors
This 3rd day of June, 2020

ATTESTED: Crystal Currier

Crystal Currier
Secretary

Sponsor Election to Allow Coronavirus-Related Distributions and Loans

Dear Plan Sponsor,

On Friday, March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act (the “Act”). The Act includes a number of tax provisions related to retirement plans noted in this summary.

Coronavirus Related Distribution from Certain Retirement Plans

A plan participant or IRA owner may take a coronavirus related distribution from a 401(a), 401(k), 403(b), or governmental 457(b) plan or from a traditional IRA beginning March 27, 2020 and before December 31, 2020 due to:

- that individual being diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;
- the individual’s spouse or dependent being diagnosed with such virus or disease by such a test; or
- the individual experiencing adverse financial consequences as a result of:
 1. being quarantined, furloughed or laid off or having work hours reduced due to such virus or disease;
 2. being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease; or
 3. meeting such other factors as may be issued in Treasury guidance.

A plan administrator may rely on a participant’s self certification that the participant satisfies the eligibility conditions for taking a coronavirus-related distribution.

Federal Income Tax Treatment of Coronavirus Related Distribution

A coronavirus related distribution is not subject to the mandatory federal 20% withholding or delivery and receipt of the Special Tax Notice.

Waiver of the IRS 10% Premature Distribution Penalty Tax A plan participant or IRA owner who takes a coronavirus related distribution up to an aggregate amount of \$100,000 is not subject to the Internal Revenue Service (IRS) 10% premature distribution penalty tax. A plan sponsor’s responsibility for monitoring the \$100,000 aggregate distribution amount of a participant’s coronavirus related distribution is limited to only coronavirus related distributions a participant takes from all plans of that employer (and any other plans that are part of that employer’s controlled group).

Repayment of Coronavirus Related Distribution

A coronavirus related distribution may be repaid in one or more contributions to a 401(a), 401(k), 403(b), or governmental 457(b) plan or to a traditional IRA over a 3-year period beginning on the date that the distribution was received if the recontribution is made to:

- a 401(a), 401(k), 403(b), governmental 457(b) plan, or traditional IRA. The coronavirus related distribution is considered to be a rollover eligible distribution for recontribution purposes.

Plan Loan Relief

A participant who satisfies the eligibility requirements for a Coronavirus Related Distribution:

- may take a loan from a 401(a), 401(k), 403(b), or governmental 457(b) plan during the 180-day period beginning on March 27, 2020 of up to the lesser of \$100,000 (taking into account the outstanding balance of all other loans taken from plans of the employer) or 100% of the non-forfeitable value of the participant's account under the plan (note existing outstanding loan amounts and number of loans permitted under the plan will serve to decrease the amount available); and
- may delay repayment of a new or existing loan from a 401(a), 401(k), 403(b), or governmental 457(b) plan for a period of one year for loan repayments outstanding on March 27, 2020 through December 31, 2020. The delay of the loan repayment will not cause the loan to fail to meet the Internal Revenue Code requirements for the maximum five-year loan term for nonresidential loans or substantially level reamortized payment schedule. Once repayments recommence, the will be adjusted to reflect the delay, including accrued interest.

Please note, your existing loan provisions still apply with respect to the number of loans available.

Waiver of Required Minimum Distribution (RMD) from Certain Defined Contribution Plans and traditional IRAs for 2020 Calendar Year

RMDs are waived for all participants and beneficiaries in 2020 from accounts within a defined contribution 401(a) or 401(k) plan, defined contribution 403(b) plan, or a defined contribution governmental 457(b) plan, or a traditional IRA.

Plan Sponsor Authorization to Future Planning Associates, Inc (FPA)

By checking the box(es) below, you confirm your intent to amend your Plan based on the rule changes stated above and instruct FPA to process coronavirus-related distributions and loans.

Important Note: The Act is federal legislation and does not supersede any corresponding State legislation or State taxes applicable to retirement plans. As the Plan Sponsor you acknowledge that you are instructing FPA to process these distributions in the absence of conforming State law and State tax guidance.

Select each that apply:

- ☒ The _____
Plan will adopt the Act's provision to allow **coronavirus-related distributions** as outlined above.
- ☒ The _____
Plan will adopt the Act's provision to allow **coronavirus-related loans** as outlined above.
- ☒ The _____
Plan will adopt the Act's provision to permit delayed **loan repayments** as outlined above.
- ☒ The _____
Plan will adopt the Act's provision to **waive RMD's** as outlined above.

Vermont Public Power Supply Authority Retirement Plan

Plan Name Vermont Public Power Supply Authority 457 Plan

Print Authorized Plan Sponsor Name and Title Kenneth A. Nolan, General Manager

Authorized Plan Sponsor Representative Signature and Date Kenneth A Nolan 5/3/20

Memorandum

To: Board of Directors – Advisory & RMC
From: Ken Nolan, General Manager
Date: May 7, 2020
Subject: **Agenda Item #9** – Barton Update

I presented VPPSA's proposal to the Barton Trustees at their April 27th meeting in Executive Session. The discussion went well with the Trustees asking very detailed questions and providing specific feedback on aspects of the proposal.

The discussion led to a meeting between John Morley and Nate Sicard on May 1st where Nate sought John's feedback on several items. Most of that discussion revolved around management of the proposed line crew to insure clear lines of communication.

Following this meeting, John, Bill Humphrey, and I met on May 4th to consider the Barton requests and brainstorm a revised proposal that attempted to address the issues raised. I am in process of revising VPPSA's proposal based on the results of those discussions.

I also understand that VEC has now provided Barton with their first draft of a buyout proposal although I do not yet know the details of that offer.

More information will be provided at the meeting, although an Executive Session may be required to discuss details.

Memorandum

To: Board of Directors – Advisory & RMC
From: Ken Nolan, General Manager
Date: March 6, 2020
Subject: **Agenda Item #10** – Broadband Discussion

This topic is becoming ripe for Board guidance at the June meeting. It is worth the Committee spending some time framing the issue and how the various options/activities underway should be framed for the Board to discuss. Items underway include:

- The State Emergency Broadband Plan
- Legislative effort led by Tim Briglin
- VELCO effort to pull together a bid for the October FCC Rural Digital Opportunity Fund (RDOF) grant auction
- State/local funding in the present Covid relief Bill in Congress
- VPPSA's AMI efforts

VPPSA needs a coherent broadband position that holds consistency across all of these conversations.

Prior to a full Board conversation on the topic my position has been:

- VPPSA will likely need to deploy fiber into the distribution systems to facilitate AMI and future technologies under consideration.
 - o We are willing to consider leasing fiber and expanding fiber coverage beyond what the electric utilities need provided it works within the utility operating framework and funding is secured
- VPPSA members do not intend to become ISP's or broadband providers
 - o This requires a new skillset and expertise we do not possess
 - o It is financially risky and puts electric ratepayers at risk
 - o It is not how we would intend to deploy available capital given a choice
- The DPS coverage study in 2019 and our own customer survey in 2020 show that the majority of customers are satisfied with their internet service and do not believe electric utilities should be providing this service. The business case does not make sense for municipal entities.

Memorandum

To: Board of Directors - Advisory & RMC
From: Ken Nolan, General Manager
Date: March 6, 2020
Subject: **Agenda Item #12**- Covid Related Changes to VPPSA Operations

On March 13th I implemented a work-from-home policy for effect on March 16th. Since that time VPPSA staff has been working almost entirely from home with one person in the office each day (on a rotating basis) to maintain IT and Financial systems. Dave Gagne has continued to report to Project 10 as normal.

Through this process we have determined that the remote workforce systems put in place over the past several years are effective and we have not seen any material degradation in operations or productivity.

As the Governor's Stay Home - Stay Safe Order comes to an end and we consider re-opening operations with a litany of new workplace safety procedures needing to be implemented in order to bring workers back, I am considering how important it is for VPPSA to return to in office functions.

Weighing in that decision if the level of requirements, the concern some staff has for their health given underlying conditions or at risk relatives, childcare and school concerns that persist, and the ongoing discussion about whether another wave of Covid may surface in the fall.

All of these factors lead me to a conclusion that:

- VPPSA should utilize work-from-home capability much more to both address employee concerns and maintain productivity
- We should consider providing certain equipment for employee home use (monitors, printers, headsets, etc.) where doing so would allow the employee to be more productive
- We should provide better equipment and training to member employees to facilitate RingCentral/Zoom meetings
- We should reorganize the office to utilize sharing of office space and take better advantage of the existing building space even as we add staff.

In short, based on the results over the past 2-months I am contemplating changing VPPSA's operational structure from one focused on everyone being in the office with work-from-home being the exception to a posture where work-from-home is the norm and having staff in the

office is only necessary for maintenance of key systems or specific meetings where face-to-face interaction would be advantageous.

I feel a reset of expectations would both positions VPPSA for future outbreaks of Covid and would give us further access to highly qualified staff as we face the utility retirement curve over the next several years.

Given this is both a significant departure from VPPSA's historical operations, and from the requirements members have for your staff I would like to discuss this issue in depth to surface any concerns before formulating a plan.