



Regular Board of Directors Meeting Minutes

August 5, 2020

Board of Directors:

	Vacant, Barton	P	Bill Humphrey, Lyndonville
P	Jonathan Elwell, Enosburg	P	Penny Jones, Morrisville
P	Mike Sullivan, Hardwick	P	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	P	John Morley, Orleans
P	Meredith Dolan, Johnson	P	Reginald Beliveau, Swanton
P	Thomas Petraska, Ludlow		

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

Alternates present:

Lynn Paradis, Swanton - (P)	Sheilah Evans, Morrisville (P)

Others present:

Ken Nolan, VPPSA - (X)	Crystal Currier, VPPSA - (P)	Ken St. Amour, VPPSA - (P)
Julia Leopold, VPPSA - (P)	Melissa Bailey, VPPSA - (P)	Amy Parah, VPPSA - (X)
Steve Farman, VPPSA - (P)	Alex Nicholson, VPPSA - (P)	
Charles Murray, Switched Source (P)	Lane Nelson, Switched Source (P)	

Numbers in bold type correspond with agenda item numbers:

1. Chairman Beliveau called the meeting to order at 9:32 a.m.
2. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were no requests.
3. Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
4. Director Fitzhugh made a motion to accept the minutes of the Regular Board of Directors meeting held on June 3, 2020. The motion was seconded by Director Sullivan. Motion approved.
5. Director Humphrey made a motion to accept the minutes of the Special Board of Directors meeting held on July 1, 2020. The motion was seconded by Director Fitzhugh. Motion approved.

APPROVED

6. Director Jones made a motion to accept the Treasurer's report as of June 30, 2020. The motion was seconded by Director Fitzhugh. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending June 30th. The financial results indicate operational expenses being under-budget by approximately 12.5%. This includes payroll and overheads that are under-budget by 13.3% and office supplies and expenses that are under-budget by approximately 10.7%. The primary drivers related to the under-budget results include: Payroll and OH's for the GIS Technician and Manger of Field Services; conferences/travel/building maintenance/legal. These costs are offset by an over-budget results in outside services and computer hardware/software (specifically cyber security) costs. Similar to the under-budget results for expenses, it is also expected that revenues will be under-budget. This is due to the fact that a portion of the Field services position was expected to be paid directly by the Village of Barton and Ashland Electric. It is expected that this trend will continue for the remainder of the year.

The motion to approve the Treasurer's report for the period ending June 30, 2020 was approved.

7. The Controller reminded the Board that the Project #10 participants are billed based on the project budgeted cost. The actual costs versus the budgeted costs are trued up at the end of each PSA year ending June 30th. The calculation of the true-up was reviewed and the staff recommended that the excess funds (\$180,100.02) be retained and transferred to the reserve fund; with the caveat that the 2021 budget reserve contributions be reduced accordingly.

There was a discussion regarding the level of funds available, what the funds are being used for and whether the funds should be held or returned to participants.

Director Sullivan made a motion that the excess funds related to the Project #10 annual true-up be retained and transferred to the Project #10 capital reserve fund and that VPPSA staff adjusts the 2021 budgeted reserve to reflect this addition. The motion was seconded by Director Fitzhugh. The motion was approved. A further review of the reserve fund balance and its intended use will be held during the 2021 budget discussion.

8. The Controller provided the Board with a summary of the capital improvements and corresponding capital reserve summary for the McNeil project. The Board was reminded that the capital expenditures are reviewed at the end of each PSA year (June 30th). Due to the overcollection of funds in prior years when major expenditures were expected, and subsequently were delayed, the fund still has a significant balance. It was noted that the major overhaul that was expected to occur this spring was further delayed due to the COVID-19 events but it is currently scheduled for the fall. A question was raised regarding the level of capital improvements that will be implemented during the fall outage and the corresponding cost of those improvements. The General Manager noted that there is a specific improvement that will occur during the outage that is expected to cost approximately \$2.5 million. It was noted that VPPSA staff will review the cost of expenditures after the fall outage is complete to determine if there are excess funds that can be returned to project participants.

Given that there is sufficient funds to cover current expenditures, no Board action was requested and it was noted that the information was for the Board's reference and will be sent to the McNeil participants subsequent to the Board meeting.

9. The General Manager informed the Board that VPPSA has been a sponsor of DeltaClime (formerly AccelVT) since the program was established four years ago. DeltaClime is an incubator program for start-up companies run by the Vermont Sustainable jobs fund with primary financial support from VLITE. Several of the sessions completed so far have focused on energy companies and products that assist with climate change. The primary goal of the program is to both give new

APPROVED

companies the tools they need to grow and a new set of contacts to provide support and to create Vermont based pilot programs that can support the state's goals. The program has provided potential companies that VPPSA can partner with - those currently include: Pecos Wind Power, WexEnergy, and Switched Source.

Charlie Murray from Switched Source, a company that manufactures equipment designed to balance loads across feeders and phases provided a summary of the company, the products that they are developing and how those products can benefit utilities and customers.

There was a brief Q&A regarding the equipment, its ability to balance loads, its bi-directional functionality, its impact on energy efficiency and its ability to optimize voltage. It was noted that the unit cost approximately \$250K. The Board was generally interested in the product but felt each member would need to conduct additional studies to determine if such a product was a viable investment for their specific utility.

10. The General Manager updated the Board on the status of VPPSA's 2021 strategic plan efforts. It was noted that the staff has been working to finalize the 2021 strategic plan since the retreat in June. An overview of the plan and the changes that were made were reviewed and discussed. It is expected to have the plan complete for Board action in September.

11. Melissa Bailey, VPPSA's Manager of Government and Member Relations, and Julia Leopold, VPPSA's Communication's Specialist provided an update on three specific legislative/regulatory topics on interest:

- a. Ms. Bailey indicated that the VPPSA staff has been working with EVT for several months to update the EVT distribution utility quarterly reports the members had previously been receiving in an effort to update the reports based on feedback from the members. A review of the changes was provided and there was a brief discussion regarding additional components the members would like to see on the report and the relationship between the members and EVT.
- b. Ms. Bailey provided an update on the PUC's disconnect moratorium (extended through September 30, 2020) and the disconnect rule. It was noted that the DPS is rolling out the arrearages program and DU's should encourage customers to apply through the online portal. There was a brief discussion on the process for customers and how the utilities will be involved.

It was noted that the disconnect rule remains under development; however, this docket is on the slow track and that is expected until the disconnect moratorium ends.

- c. A brief overview of the RES Tier 3 program was provided, and it was noted that work will begin in earnest on the 2021 RES Tier 3 budget. The Board was asked for input as to desired changes to existing programs and/or new program offerings that are desired.
- 12.** Ken St. Amour, VPPSA's Manager of Technology and Security Services updated the Board on the status of the AMI program effort. The Board was informed that review committee has reduced the discussion to two potential vendors. Over the last month a significant amount of work was with one vendor to gather additional information to make sure the committee was reviewing comparable proposals. After a detailed discussion a consensus on the preferred vendor was reached; however, it was highlighted that one of the reasons the second-place vendor was not chosen was the cost of the MDM that was offered-which had significant annual costs. That vendor had offered a second MDM in its RFI response but had not provided pricing for that option in its RFP. Subsequently, Jackie Lemmerhirt had seen a demo of the alternative MDM and was impressed with its functionality. For this reason, the committee decided that in order to fully vet

APPROVED

this proposal, the committee would request pricing information on the alternative MDM from the vendor. It is expected that a final recommendation will be provided to the Board in September.

- 13.** The General Manager provided an overview of VPPSA's GIS program. The General Manager informed the Board that he hired Allen Stamp, a project management consultant to help VPPSA do several things - assess what data members have available and develop a plan for filling gaps, assess how members desire to use the program and make sure the data will facilitate those uses, and establish the procedures needed to maintain accurate data going forward. Allen Stamp and VPPSA staff have been meeting with members over that last few weeks and will continue for a couple more weeks. There seemed to be some confusion regarding the program vision that the maps will be maintained in a central location and that VPPSA would be providing support in maintaining data. Different members have different expectations in both regards so staff has been taking the position in meetings that VPPSA's final service offerings are not yet known. It was noted that until the staff has gathered all of the information on available data and established both the plan for filling gaps and procedures for maintenance it seems early to commit to a final end state. The vision of the program has not changed but the timeline and where VPPSA needs to focus its efforts may be adjusted based on the final discussion results.
- 14.** The General Manager provided a brief update on the status of Barton's desire to sell its utility. It was noted that only minor changes have occurred. Those include: 1) VPPSA is moving forward by contracting with HomeTown Connections to do a full assessment of the "value of public power" the electric department brings to Barton, 2) Barton has requested that VPPSA provide some historical information on their hydro operation in an effort to develop a value for the hydro plant, 3) VPPSA staff has begun to develop an impact analysis of the steps that would need to be taken, and associated costs, for Barton to leave VPPSA membership. Director Morley asked about the process if Barton did decide to sell its utility; specifically, would it go to the Village for a vote prior to the PUC? It was noted that the Board feels it is important that VPPSA take the steps necessary to insure that both the village trustees and the public fully understand the ramifications of their decision, and can make an informed decision. The Board sees VPPSA's role as both protecting the membership from the impacts of any Barton decision, and making sure Barton, as a VPPSA member itself, has all of the information it needs to weigh its options. The General Manager was in agreement and outlined his plan for gathering the information and putting together educational information.
- 15.** Director Morley made a motion to find that premature general public knowledge of the Authority's discussions and/or negotiations with potential counterparties would place the Authority in a position to suffer a substantial disadvantage because it would expose proposed terms of the contract negotiations. The motion was seconded by Director Fitzhugh. The motion was approved.

Director Morley made a motion to enter executive session to discuss contract negotiations as allowed under the provisions of Title 1, Section 313 (1)(A) of the Vermont Statutes. The motion was seconded by Director Fitzhugh. The motion was approved.

The Board entered Executive Session at 12:55 p.m.

The Board returned to open session at 1:10 p.m.

No action was taken.

- 16.** Other Business.

None.

The meeting was adjourned at 1:15 p.m.

APPROVED

Respectfully submitted,

Crystal Currier

Crystal Currier, Secretary