



Regular Board of Directors Meeting Minutes

September 2, 2020

Board of Directors:

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

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

Alternates present:

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)	Amanda Simard, VPPSA (P)
Jackie Lemmerhirt, Lemmerhirt Consulting (P)	Heather D'Arcy, VPPSA (P)	Josh Bancroft (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 Special Board of Directors meeting held on June 23, 2020 [Board Retreat]. The motion was seconded by Director Petraska. Motion approved.
5. Director Humphrey made a motion to accept the minutes of the Regular Board of Directors meeting held on August 5, 2020. The motion was seconded by Director Fitzhugh. Motion approved.

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6. Director Elwell made a motion to accept the Treasurer's report as of July 31, 2020. The motion was seconded by Director Humphrey. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending July 31st. The financial results indicate operational expenses being under-budget by approximately 12.1%. This includes payroll and overheads that are under-budget by 11.6% and office supplies and expenses that are under-budget by approximately 13.5%. The primary drivers related to the under-budget results include: Payroll and OH's for the GIS Technician and Manager 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 July 31, 2020 was approved.

The Controller reminded the Board that the information related to the 2020 Transco offer was recently sent out and requested that the members respond to that request no later than Friday September 25th. It was noted that a Resolution to approve the financing for this equity issuance will be presented at the October Board meeting.

7. The Controller reminded the Board that at the June Board meeting, the audit RFP results were provided and briefly discussed. At that time, no action was requested and the staff indicated that action would be requested at the next Board meeting. The topic was not included in the August Board meeting as intended. The Controller provided a brief overview of the results. Given the lack of responses (only one proposal received), staff recommends that the Board accept the three-year proposal provided by Graham & Graham.

Director Fitzhugh made a motion to accept the three-year audit proposal as presented by Graham & Graham for CY audits 2020-2022. The motion was seconded by Director Sullivan. The motion was approved.

8. The General Manager reminded the Board that following the Board retreat in June, the staff has continued to work on finalizing the strategic plan with a focus on the feedback provided by the Board. Specifically, a new strategic effort related to Technology Competence was added and the staff spent a fair amount of time fleshing out the goals in this section. The final draft was provided to the Board for their review, discussion and approval. The General Manager provided an overview of the plan with specific focus on the goals in the Technology Competence section. Director Elwell made a motion to adopt the 2021 Strategic Plan as presented. Director Humphrey seconded the motion. The motion was approved.

9. The General Manager reminded the Board that VPPSA has now hired a GIS Technician - Alex Nicholson. In addition, Allen Stamp, an outside consultant was hired to assist with the project development. The two have spent the past two months getting the mPower software up and running, setting up the ARCMAP ESRI based mapping tool and meeting with members to understand what data is available. They have experienced differing levels of data availability and a wide range of view in potential uses.

Alex Nicholson provided a detailed presentation of the program status and the forward-looking plan for development of VPPSA's GIS program based on the information actually found during this exploratory effort. Several Directors asked specific questions about the GIS program that were addressed.

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10. The General Manager informed the Board that staff has begun the work on the 2021 budget development with a few key assumptions that he felt were worth discussing with the Board before staff prepares the draft for the October Board meeting.

First, the 2020 budget included a new position titled Field Services Manager. This position was intended to provide management support to Barton and potentially Ashland, NH. Given Barton's recent decisions, the position was not filled; however, VPPSA did contract with a contractor (Dave DiSimone) to help assist with some of VPPSA's immediate needs. With Barton rejecting the VPPSA management proposal, filling the position doesn't seem feasible in the near term. The General Manager recommended that this position be eliminated from the 2021 budget; however, the consulting budget be increased to reflect the continued use of Dave DiSimone on a contract basis of approximately 8-16 hours per week. The Board did not have objections to this concept.

Second, the 2020 budget was intended to include funding for a member-wide cyber security program to respond to regulatory requirements VPPSA saw coming from NERC and the PUC. This was partially included in the 2020 budget but not to the extent needed. It was decided to move forward with the program and absorb the cost within the existing budget; however, this created a decision point for the 2021 budget. While adding the VPPSA-wide program will be cheaper and more effective for members, the addition equates to roughly \$55K in FY21. The General Manager recommended that VPPSA continue with the cyber security program for members and fund it through the operating budget (as opposed to having the members implement and pay for their individual programs). The Board did not object to including the cyber security program within the 2021 budget as a VPPSA-wide program.

Third, it was noted that the members will see a significant increase in the projected RES costs for FY21. VPPSA staff provided a detailed presentation on the Renewable Energy Standard's requirements with the primary focus on the Tier 3 requirements. There was a significant amount of discussion regarding what the VPPSA program has entailed in the past and where VPPSA would like it to move in the future. Specifically, in an effort to increase potential custom projects, coordinate more closely with EVT and to establish a key accounts program, the General Manager noted that the draft FY21 RES budget will include funding for Tier 3 custom projects with the expectation that VPPSA will then pay the incentives and the credits would be shared among all contributing members. The Board expressed concern with the cost of the overall RES requirements but also indicated that VPPSA was doing a good job within the parameters of the rules of the RES legislation. Board members asked that in addition to addressing the budget needs VPPSA look for opportunities to revise the RES legislation in ways that promote cost control.

11. In addition to the written materials, Melissa Bailey, VPPSA's Manager of Regulatory and Member Relations provided a brief update on Legislative and Regulatory activities. The primary topics that were briefly mentioned include: FY21 budget, CARES Act allocation of funds (focused on broadband), and S.237 that provides EVT with more latitude to spend EEC funds on specific programs.
12. The General Manager provided a brief update on the activities related to Barton. A few new activities are underway - they include: 1) VPPSA is providing requested information to Barton that appears to assist with the evaluation of the utility, 2) staff will be meeting with HomeTown Connections on September 3rd to begin the "value of public power" assessment, 3) both staff and VPPSA members will be conducting a site visit to Barton's hydro location on September 9th (to determine if a municipal offer would be of value).
13. & 14. 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

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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 12:36 p.m.

The Board returned to open session at 1:50 p.m.

No action was taken.

15. Other Business.

None.

The meeting was adjourned at 1:50 p.m..

Respectfully submitted,

Crystal Currier

Crystal Currier, Secretary