



Regular Board of Directors Meeting Minutes

October 7, 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	X	Reginald Beliveau, Swanton
P	Thomas Petraska, Ludlow		

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

Alternates present:

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

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. The General Manager requested an executive session to discuss contract negotiations.
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 September 2, 2020. The motion was seconded by Director Jones. Motion approved.
5. Director Fitzhugh made a motion to accept the Treasurer's report as of August 31, 2020. The motion was seconded by Director Jones. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending August 31st. The financial results indicate operational expenses being under-budget by approximately

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12.9%. This includes payroll and overheads that are under-budget by 11.7% and office supplies and expenses that are under-budget by approximately 15.9%. 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 bank fees (LOC), 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 August 31, 2020 was approved.

6. Director Fitzhugh made a motion to accept Resolution 2020-10 related to the financing of the purchase of member units offered by Vt. Transco, as presented. The motion was seconded by Director Sullivan.

The Controller reminded the Board that the subscription agreements related to the Vt. Transco equity offer that will occur in December have been sent to all the members and that it was requested that the agreements be returned no later than Monday, November 30th. It was noted that VPPSA expects to finance approximately \$669,000 for the benefit of the members. Resolution 2020-10 provides for the financing in an amount not to exceed \$1,333,050, which is the total offered to all VPPSA members. It was noted that three lenders provided proposals for the financing. The motion was approved.

7. The General Manager reminded the Board that both VPPSA and the Village of Swanton received notices of violation of Wetlands permits last fall from both the Army Corps of Engineers and the Vermont Department of Environmental Conservation. Initially, it was agreed to hire Fitzgerald Environmental Consulting to assist with the violation response and share the costs. The General Manager provided some background information to remind the Board of the specific issues and noted that all the parties have spent several months evaluating options and trying to determine the most cost-effective way to proceed. This effort has resulted in a plan that involves a combination of returning the wetlands to their previous status where possible, moving the Swanton compost facility to minimize the impacts and in a few cases paying a fee to retain the impacts. Once the process is complete, the responsibility for the wetlands permit would transfer to Swanton so VPPSA would not have any further responsibility.

Director Humphrey made a motion to authorize the General Manager to enter into an agreement with the Village of Swanton that resolves the Wetlands Permit notice of violation consistent with the arrangement as presented. The motion was seconded by Director Fitzhugh. The motion was approved.

Director Sullivan requested some additional background/history and that was provided by the General Manager and Chairman Beliveau.

8. Julia Leopold, VPPSA's Communication Specialist informed the Board of recent conversations with the Vermont Foodbank regarding the number of food insecure people in Vermont and the fact that the Foodbank is not seeing the program uptake consistent with the levels of food insecurity. The Vermont Foodbank would like to work with the VPPSA utilities to spread the message outside of Chittenden County by providing bill stuffers that the utilities can send to their customers. The Vermont Foodbank will design the bill stuffer and cover all costs and the utilities are only asked to send the information out with their periodic billings. Director Birkett expressed concern with sending out bill stuffers that are not related to utility business but expressed

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willingness to include the information within their public newsletter or other community publications.

Director Beliveau and Director Jones expressed comments relative to whether the use of bill stuffers is effective, the process of inserting and sending non-utility bill stuffers to their customers, and that the use of other avenues such as social media (Facebook or front-page-forum) might be more productive forums to reach customers. Ms. Leopold indicated she would follow-up with the Vermont Foodbank with the Board's comments to determine next steps.

9. The General Manager reminded the Board that VPPSA has been operating the RES rebate (prescriptive) program for about 2 years and it has become clear that the program is only meeting about 1/3rd of the member's Tier requirements. A brief overview of the current measures that are being utilized and their related costs was discussed, along with the potential to enter into lower-cost custom projects. Two specific projects - a furniture manufacturer that runs on local generation and a glass recycling business that want to locate in a member territory was discussed. It was noted that the host utility will receive the electric sales; however, all the VPPSA members would share in the RES project credits. The General Manger requested feedback from the Board regarding this concept. There was a brief discussion regarding the use of VPPSA funds and conceptually the Board was supportive of the program as presented.

Director Humphrey asked who would choose the various projects that would be supported (the Board/ Board Committee, Staff?). Director Fitzhugh suggested providing staff with a limit to work within - either in project cost or a dollar cost/per credit and the Board was supportive of that. It was determined that staff will provide a detailed program concept for Board action at the November meeting.

10. The General Manager presented the first draft of the FY2021 Budget. It was noted that several areas still require refinement and that the budget will be refined further after feedback from this meeting and once additional data is received from other parties (McNeil, AMI, etc). A brief overview of the consolidated budget results were reviewed; with a more detailed review of the RES budget discussed. It was noted that, a number of the variances are related to a reallocation of VPPSA's efforts in relation to the approved strategic plan, resulting in several VPPSA projects seeing reductions while the general operating budget is seeing an increase. The General Manager reminded the Board that this information is the initial draft and as the budgets are refined further, future updates will be presented in November and December, with Board approval requested in December.
11. Melissa Bailey, VPPSA's Manager of Government Relations, provided an update on recent Legislative and Regulatory activities. It was noted that the Vermont Legislature recessed September 25th, with its final efforts focused on the budget and additional response measures related to the pandemic. A review of PUC proceedings and the Efficiency Vermont Coordination and Tier 3 Planning was reviewed and discussed. A specific focus on the disconnect moratorium, PDS changes to the arrearages program, and the efforts with EVT was discussed.
12. Ken St. Amour updated the Board on current activities related to the AMI project. It was noted that the majority of his staff time has been spent working with the telecom subcommittee and with other VPPSA staff to get the area maps updated so that those maps can be provided to Aclara to assist in determining where infrastructure is needed. Next steps include 1) working with Jackie Lemmerhirt to review the proposal that was provided to assist with both contract negotiation and the preparation of business case development for regulatory support, 2) negotiating pricing on meters, and 3) contacting each member to gather more specific information that is needed.

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- 13.** Chairman Beliveau mentioned that after a recent visit to Barton’s hydro facility, it reminded him of the hydro resources the VPPSA members have and he wanted to discuss how VPPSA can facilitate more efficient deployment of staff and equipment to maximize the value of the member’s hydro assets. It was noted that it would be beneficial if the utilities shared resources both within the utility community or through VPPSA by structuring a committee of hydro owners. The General Manager noted that VPPSA would set up an initial meeting to determine interest of the members.
- 14.** The General Manager informed the Board that in the ISO’s Internal Market Monitor’s (IMM) quarterly report to both ISO and FERC it reported a finding that the transmission companies had been violating their tariffs for the past decade by not reconstituting loads for “behind the meter” generation. While it has been common practice throughout New England to calculate “Network Load” by excluding any load served by local generation such as net metering, Standard Offer, and in some cases small utility owned generation; however, if the IMM position gets codified it would mean we would need to add all of that generation back to the load we report to ISO-NE.

VPPSA is working with the other Vermont utilities and the DPS to assess the likely impact and to develop a united strategy. It is likely that the transmission owners will need to put forth some sort of response by the end of the year. The General Manager informed the Board that, whatever resolution is ultimately adopted, it is likely that the issue will be litigated at FERC. VPPSA will need to be prepared to participate in that litigation.

- 15.** The General Manager provided a brief update on the status of Barton. It was noted that VPSPA continues to respond to Barton’s data request, VPPSA staff met with HomeTown Connections to begin the value of public power analysis and representatives from Lyndonville and Swanton attended a Barton Hydro site visit with VPPSA staff to assess whether VPPSA was interested in submitting a purchase proposal to Barton.
- 16.** Director Jones 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 Jones 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 12:04 p.m.

The Board returned to open session at 12:46 p.m.

No action was taken.

17. Other Business.

None.

The meeting was adjourned at 12:46 p.m.

Respectfully submitted,

Crystal Currier
Crystal Currier, Secretary

