



## **Regular Board of Directors Meeting Minutes**

December 2, 2020

### **Board of Directors:**

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

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

### **Alternates present:**

Lynn Paradis, Swanton ( <b>P</b> )	Sheilah Evans, Morrisville ( <b>P</b> )

### **Others present:**

Ken Nolan, VPPSA - ( <b>X</b> )	Melissa Bailey, VPPSA - ( <b>P</b> )	Josh Bancroft, VPPSA ( <b>P</b> )
Heather D'Arcy, VPPSA ( <b>P</b> )	Shawn Enterline, VPPSA - ( <b>P</b> )	Steve Farman, VPPSA - ( <b>P</b> )
Crystal Currier, VPPSA - ( <b>X</b> )	Julia Leopold, VPPSA - ( <b>P</b> )	Alex Nicholson, VPPSA - ( <b>P</b> )
Amy Parah, VPPSA - ( <b>P</b> )	Ken St. Amour, VPPSA - ( <b>P</b> )	

### **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. Director Morley requested a discussion between the Directors and the General Manager. It was noted that this will be added under other business.
- 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 November 4, 2020. The motion was seconded by Director Humphrey. Motion approved.

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5. Director Humphrey made a motion to accept the Treasurer's report as of October 31, 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 October 31st. The financial results indicate operational expenses being under-budget by approximately 13.6%. This includes payroll and overheads that are under-budget by 11.1% and office supplies and expenses that are under-budget by approximately 20%. 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 two of the standard offer projects did not go online as expected and 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 October 31, 2020 was approved.

6. Director Fitzhugh made a motion to accept Resolution 2020-12 (Cafeteria Plan Changes), as presented. The motion was seconded by Director Petraska.

The General Manager informed the Board that the Coronavirus Aid Relief and Economic Security Act ("CARES Act") allows for certain changes to Cafeteria Plans. After a review of the allowed changes, it was determined that the majority of the "allowed" changes do not pertain to VPPSA or its employees; however, there were a few minor changes that would be beneficial. The General Manager reviewed those changes, and the Board expressed no objections to the changes.

The motion to accept Resolution 2020-12 as presented was approved.

7. Director Fitzhugh made a motion to approve the VPPSA 2021 Operating Budgets as presented. The motion was seconded by Director Morley.

The General Manager noted that the only change in this draft (compared to the draft presented on November 4<sup>th</sup>) is a reduction in the Village of Barton Tier 3 RES project charges. This change reflects the fact that the Barton Village Trustees voted to directly provide a Tier 3 RES incentive for a line extension project. As a result, Barton will carry enough Tier 3 credits into FY21 to avoid Tier 3 custom charges from VPPSA. All other aspects of the budgets remain unchanged. The Board had a brief discussion regarding the RES costs in relation to the overall budget.

The General Manager reviewed the Technology Roadmap to help the members understand the process and relationship between the VPPSA GIS and AMI projects and how these projects are foundational to future analytical and rate work.

The consolidated 2021 operating budgets represent a 2.8% increase over the 2020 budgets. In addition to the operating budgets, a high-level overview of the 2021 power budgets was also presented. The VPPSA-wide change in power budgets represents a 5% increase overall, although the changes vary when viewed on a specific member basis.

The motion was approved and the 2021 VPPSA Operating Budgets were approved as presented.

8. Josh Bancroft, VPPSA's Power Supply Applications Developer provided a thorough presentation to the Board that demonstrated the process for the monthly power supply settlement process - including the data collection, data processing, accounting verification and variance analysis work that goes into this process. There was a short discussion regarding those invoices that don't flow

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through VPPSA's accounting and whether changes should be made to make that process more efficient and accurate.

9. Melissa Bailey, VPPSA's Manager of Government Relations, provided an update on recent Legislative and Regulatory activities. On the Legislative front, it was noted that VPPSA is organizing virtual events with each of the member's senators and legislative representatives to better acquaint legislators with the concerns and perspectives of the VPPSA members and to introduce legislators to VPPSA's proposal for achieving rate flexibility for municipal electric utilities. It was noted that there were no changes to the makeup of the energy committees due to the November elections, but that the new House Speaker and Senate Pro Tempe may be making committee assignment changes prior to the new session beginning.

On the Regulatory side, a review of current PUC proceedings was provided. This included a brief overview of the Net Metering compensation levels, the Disconnect Moratorium and the All Fuels Cases.

It was noted that VPPSA staff continues to coordinate with EVT on the member quarterly reports and after completion of revisions to the report, those reports were sent to the members on November 13<sup>th</sup>. A more detailed discussion of the reports will be held under agenda item #10.

10. Melissa Bailey, VPPSA's Manager of Government Relations, reminded the Board that the VPPSA staff has been working with EVT for over a year to develop quarterly reports that will provide members with greater insight into the efficiency programs that have been implemented in each member territory. EVT recently issued new reports that reflect changes requested from the Board earlier this year. The changes within the reports were discussed. There were no objections to the format of the reports; however, several Directors shared concerns with the data and the accuracy of the data. It was determined that in an effort to feel confidence in the data within the report, the Board would like to see an ongoing report that includes specific customer data or an annual audit of the data. There was consensus that staff should change focus from further trying to refine the quarterly report and instead attempt to work with EVT to provide more granular vision into the customers served.
11. Julia Leopold, VPPSA's Communication Specialist, provided an overview of the Tier 3 RES Tier II activities. It was noted that rebates and instant discounts will continue to be offered to the member's customers in 2021; however, there will be some slight changes to the incentive levels. Since the Great Blue survey indicated that utility customers prefer to be notified of utility information through a bill stuffer or direct mailing, VPPSA would like to send a bill stuffer and/or a direct mailing to the member customers in January or February to inform them of the updated incentive offerings. The Board discussed the form of direct mailing - whether it would have the name of the utility on the mailing since customers may ignore a mailing that appeared to just be from VPPSA. Ideally, VPPSA would collaborate with the utility to include both names so that the mailing appears as local as possible. There was a brief discussion regarding the pros and cons of each methodology but the general consensus was that a direct mailing from VPPSA (postcard) would be acceptable. Ms. Leopold indicated she would follow-up with each member to determine their preference. Director Morley raised a question about the members' ability to provide customer data to VPPSA under existing PUC restrictions. The General Manager noted that the concern is valid and VPPSA will need to get approval from the PUC to access customer data. VPPSA's attorney is working on this issue and believes that the PUC Order granting EVT access to customer data could be used as a template.

In an effort to educate the VPPSA member customer service representatives of specific information related to VPPSA's rebate/incentive offerings, VPPSA is proposing to host a utility staff webinar in early 2021. The goal will be to provide detailed information on the available rebates and instant discounts, changes to the program from previous years and information about where



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the customers can find out more information if they still need it. It was requested that the webinar be recorded so that those who can't make the meeting will have access to the information.

- 12.** Ken St. Amour, VPPSA's Manager of Information Technology & Security Services, provided an update on AMI activities that have occurred since the last Board meeting. It was noted that 1) GIS maps showing electric meter locations for each member have been sent to Aclara to begin a new RF propagation study, 2) VPPSA has begun discussion with Ashland, NH to bring them into the AMI project, 3) an internal meeting has been scheduled with Jackie Lemmerhirt and Allen Stamp to coordinate the transition from project evaluation and design to field deployment and 4) VPPSA staff has started to gather water meter data from members who intend to include their water meters in the AMI program. A short update on next steps was provided.
- 13.** The General Manager provided a brief update on the status of Barton. It was noted that after attending a Trustees meeting on November 23<sup>rd</sup>, it seems clear that the Barton trustees are moving forward by making decisions with the intent that the utility will eventually be sold. Their decision to include an option in the planned purchase agreement that allows Barton to transfer their share to a third party and an executive session to discuss an extension of their maintenance agreement with VEC demonstrates that Barton is evaluating decisions with the clear thought in mind that they are likely to recommend a sale. VPPSA continues to provide Barton with full support during this period of uncertainty.
- 14.** No executive session was scheduled or needed.

### **15. Other Business.**

Director Morley raised two questions for the Board and asked for general feedback.

The first related to concerns about the effectiveness of holding Zoom video meetings and whether VPPSA was being harmed by the Board's inability to meet in person. The Board consensus was that the video meetings were less effective but were adequate to accomplish necessary discussions. The Board unanimously expressed a preference to return to in person meetings as soon as the Covid pandemic, and associated Executive Orders from the Governor, allowed.

The second was related to VPPSA's ongoing legislative outreach and the potential for conducting similar outreach to member elected boards. Director Morley felt that the legislative efforts were going well, and that local elected Boards could benefit from similar outreach about the benefits of their local utilities and VPPSA's role in the public power community. The Directors concurred that outreach would be beneficial especially as elected officials turn over at village/town meetings. The Board requested that the General Manager look at how such outreach could be added to VPPSA's activities.

The meeting was adjourned at 12:52 p.m.

Respectfully submitted,

*Crystal Currier*

Crystal Currier, Secretary