



## Regular Board of Directors Meeting Minutes

January 6, 2021

### Board of Directors:

	Vacant, Barton	<b>P</b>	Bill Humphrey, Lyndonville
<b>P</b>	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		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>P</b> )	Crystal Currier, VPPSA - ( <b>P</b> )	Amy Parah, VPPSA - ( <b>P</b> )
Heather D'Arcy, VPPSA ( <b>P</b> )	Shawn Enterline, VPPSA - ( <b>P</b> )	Julia Leopold, VPPSA - ( <b>X</b> )
Alex Nicholson, VPPSA - ( <b>P</b> )	Ken St. Amour, VPPSA - ( <b>P</b> )	James Gibbons, BED ( <b>P</b> )
Steve Farman, VPPSA-( <b>P</b> )		

### Numbers in bold type correspond with agenda item numbers:

1. Vice-Chairman Morley called the meeting to order at 9:31 a.m.
- 2.** Vice-Chairman Morley asked if there were requests for changes and/or modifications to the current agenda. The General Manger requested a brief discussion under #18a regarding the Village of Barton.
- 3.** Vice-Chairman Morley asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- 4.** Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on December 2, 2020. The motion was seconded by Director Sullivan. Motion approved.
- 5.** Director Humphrey made a motion to accept the Treasurer's report as of November 2, 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



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November 30th. The financial results indicate operational expenses being under-budget by approximately 14.1%. This includes payroll and overheads that are under-budget by 10.8% and office supplies and expenses that are under-budget by approximately 23%. 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 November 30, 2020 was approved.

6. Director Fitzhugh made a motion to accept Resolution 2021-01 (Ratification of Prior Actions), as presented. The motion was seconded by Director Elwell.

The Controller informed the Board that Resolution 2021-01 is an annual Resolution presented to the Board. The Resolution ratifies the actions and Resolutions taken by its Board of Directors during CY 2020.

The motion to accept Resolution 2021-01 as presented was approved.

7. Director Jones made a motion to approve VPPSA Policy GMR-1 [RES Project] as presented. The motion was seconded by Director Fitzhugh.

The General Manager reminded the Board that during the CY 2021 budget discussions, there was a lengthy discussion regarding the RES project budget and the new concept of VPPSA taking on custom T3 RES projects and billing the cost of those costs through VPPSA's RES project budget. Due to the complexity of the budgeting, project allocations, billing, etc. the General Manager proposed implementing a RES project policy that would document how the VPPSA T3 RES program would operate. That policy was presented to the Board for review, discussion and approval. It was specifically noted that one key aspect of the policy is that VPPSA will continue to allow each member to have first refusal on Custom Measures within their territory and to fund these efforts directly.

The General Manager provided a review of the policy objective, definitions and overall policy process. Director Morley questioned how the RES project expenses are being recorded and there was a short discussion regarding those costs. Director Sullivan asked if VPPSA was on track to meet its future RES obligations. The General Manager indicated that the Tier 1 and Tier 2 requirements are expected to be sufficient; however, work remains to meet future Tier 3 requirements. The status with regard to meeting future requirements varies significantly by member.

The motion to approve VPPSA Policy GMR-1 [RES Policy] was approved as presented.

8. Director Fitzhugh made a motion to approve VPPSA Policy GMR-2 [Retail Customer Information Privacy] as presented. The motion was seconded by Director Humphrey.

The General Manager reminded the Board that there have been a number of cases in the past year where VPPSA has needed access to retail customer data to conduct activities on the Member's behalf. Several members have raised questions about whether the Member utilities are allowed to share their customer data with VPPSA given past PUC rulings. After consultation with

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VPPSA's attorney, the issue remains unclear and the recommendation was to adopt a Privacy Policy that explicitly states that VPPSA needs to utilize retail customer data in conducting Member business and that VPPSA will treat that data in conformance with each individual Member's Privacy Policy. Further, upon approval of VPPSA Policy GMR-2, VPPSA will file a petition with the PUC requesting an Order explicitly stating that Members are authorized to share customer information with VPPSA, as this would remove any ambiguity that remains.

The motion to approve VPPSA Policy GMR-2 was approved as presented.

9. The General Manager reminded the Board that over the last several months, VPPSA has been looking at alternatives for VPPSA's pension plans, including a change to the overall platform, the third-party administrator (TPA) and the fund advisors. The options evaluated were: 1) keep existing plans, 2) adopt recommendations from Poulos Advisors that would change the funds offered while retaining the existing TPA, 3) consider the Poulos proposal while moving away from the existing TPA and 4) moving all aspects to Fidelity.

There have been several discussions at the staff level. The staff did not object to seeking other alternatives and after looking at several options, the Fidelity proposal held the most interest. Director Sullivan shared that he was familiar with Fidelity from a prior employment and he was very happy with the services they offered at that time.

Director Jones made a Motion to approve staff's recommendation to move the VPPSA Pension to Fidelity Investments and authorize the Controller to proceed with preparing the necessary paperwork for Board and Plan Administrator approval. The motion was seconded by Director Elwell. The motion was approved.

10. The General Manager informed the Board that as part of the construction of the Salvage Yard solar project, (a VPPSA standard offer project in Morrisville) Encore Renewables ran in to a significant hurdle that required Encore to provide an easement to Morrisville Water & Light for the interconnection line extension. One of the property owners refused to provide the easement and after reviewing various options, Encore determined that the best course of action was to purchase the parcel. VPPSA is conducting its due diligence to determine if the parcel can be beneficial to VPPSA (potentially for battery storage). Once this due diligent process is complete a recommendation will be brought to the Board for action.
11. The General Manager noted that there have been a number of questions raised by members since the CY21 power budgets were released. In an effort to address several of the questions raised, staff determined that providing an overview of the main drivers effecting the power budget was warranted.

VPPSA staff provided a detailed presentation that covered energy and capacity prices, Renewable Energy Credits, and transmission costs. The Board discussed several components of the presentation; specifically, how the markets settle within ISO-NE, the driver of capacity costs, REC costs and revenues, transmission costs, and mitigation measures that can help control costs (battery storage, peak loads, demand response programs).

12. Julia Leopold, VPPSA's Communication's Specialist, provided an update on recent Legislative and Regulatory activities. It was noted that VPPSA is organizing virtual events with each of the member's senators and legislative representatives to better acquaint legislator with concerns and perspectives of the VPPSA members. At the legislative level it is expected that the Renewable Energy Standards will be a focus in 2021. PUC proceedings include the Disconnect Moratorium that has been reinstated by the PUC through March 31, 2021 and it was noted that arrearage reports are due at the end of March. VPPSA staff continues to work with EVT in the targeted area territories (Barton, Jacksonville and Ludlow) projects under the MOU between VPPSA and EVT.

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- 13.** Julia Leopold, VPPSA's Communication Specialist, provided an overview of the RES Tier 3 Project activities. This includes updates on compliance requirements, project rebate/incentive offerings in 2020 and changes to those programs for 2021, the number of rebates/incentives processed in 2020 and the expected volume in 2021, and the relationship between EVT and VPPSA; specifically, related to how incentives/rebates will be offered and paid in the future.
- 14.** 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. The following activities that have or will take place include:
  1. A meeting is schedule with Aclara to review the elements of the formal proposal that is expected to be received around January 20<sup>th</sup>.
  2. An internal staff meeting is scheduled for Friday (January 8<sup>th</sup>) to discuss the cost allocations and necessary network infrastructure.
  3. A meeting with Jackie Lemmerhirt was held earlier this week regarding the cost/benefit analysis reports that are needed for the required PUC filing.
  4. VPPSA is working on a MOU with Ashland Utilities on being part of the AMI project.
- 15.** Alex Nicholson, VPPSA's GIS Technician provided a brief update on the activities of the GIS project. It was noted that a primary goal is to meet with all the members to gain a better understanding of each member's needs (what they want to do with the data) - some meetings have been held and several others are scheduled. A working group has been implemented to facilitate aspects of the program. A significant amount of time has been working with VELCO related to various licenses that VPPSA may be able to utilize for the GIS program. The Board discussed the use of the VELCO licenses and the Board expressed concern with moving in that direction.
- 16.** Project #10 Update - The General Manager provided an update on the activities at Project 10. They include:
  - a. HMI Upgrade - project completed and functioning well.
  - b. Backup Generator - contracts signed, need additional groundwork engineering, on-schedule for spring installation.
  - c. Building Addition - adding structure next to control room, working on cost proposals and initial foundation design.
  - d. Property Insurance - renewal as of 01/01/2021 with a significant increase in cost; premiums based on information from prior year borescopes, will be reviewing options to minimize future cost increases for future Board discussion.
- 17.** The General Manager provided a brief update on several topics, including:
  - 1) Barton Status - Barton staff continues to work on the "value of public power" worksheet provided by Hometown Connections.
  - 2) VPPSA Organizational Structure - given that the CY21 budget removed the Field Services position, the General Manager provided an updated organizational chart that moves the GIS Technician to the Technology and Security Services group and the P10 Plant Operator to the Financial and Power Services group.
  - 3) VPPSA Storage RFP - it was noted that VPPSA has received about a dozen responses to the storage RFP with a variety of locations and financing structures. The RFP responses have been reviewed and the list was narrowed down to four (4) vendors. It is likely we will be choosing one specific site, with a more refined business structure in the near future.

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- 18.** Director Humphrey made motions to enter executive session to 1) discuss the status of the SolarWinds national cyber incident, including information that has been deemed classified by the Department of Homeland Security, as allowed under the provisions of Title 1, Section 313 (5) and (10) of the Vermont Statutes and 2) after finding that premature general public knowledge would clearly place the Authority at substantial disadvantage, to discuss contract negotiations as allowed under provisions Title 1, Section 313 (1)(A). The motions were seconded by Director Jones.

The motions were approved.

The Board entered Executive Session at 12:50 p.m.

The Board returned to open session at 1:35 p.m.

No action was taken.

- 19. Other Business.**  
**No Other Business.**

The meeting was adjourned at 1:36 p.m.

Respectfully submitted,

*Crystal Currier*  
Crystal Currier, Secretary