



Regular Board of Directors Meeting Minutes

February 3, 2021

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 - (P)	Crystal Currier, VPPSA - (P)	Amy Parah, VPPSA - (P)
Melissa Bailey, VPPSA - (P)	Kim Harris, VPPSA - (P)	Julia Leopold, VPPSA - (P)
Alex Nicholson, VPPSA - (P)	Ken St. Amour, VPPSA - (P)	
Steve Farman, VPPSA-(P)	Dave Gagne, VPPSA -(P)	

Numbers in bold type correspond with agenda item numbers:

1. Chairman Beliveau called the meeting to order at 9:30 a.m.
2. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were requested.
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 Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on January 6, 2021. The motion was seconded by Director Humphrey. Chairman Beliveau abstained. Motion approved.
5. Director Elwell made a motion to accept the Treasurer's report as of December 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

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December 31st. The financial results indicate operational expenses being under-budget by approximately 12.6%. This includes payroll and overheads that are under-budget by 8.4% and office supplies and expenses that are under-budget by approximately 24%. The primary drivers related to the under-budget results include: Payroll and OH's for the GIS Technician and Manager of Field Services position; conferences & travel expenses, and outside services. These costs are offset by over-budget results in bank fees (LOC), and computer hardware/software (specifically cyber security costs). Similar to the under-budget results for expenses, the revenues are also under-budget.

The variance results for each of the projects was also reviewed and it was noted that the annual audit is in progress.

The motion to approve the Treasurer's report for the period ending December 31, 2020 was approved.

6. Director Jones made a motion to accept Resolution 2021-02 (P10 R&C Annual True-up), as presented. The motion was seconded by Director Fitzhugh.

The Controller informed the Board that Resolution 2021-02 relates to the annual true-up of capital expenditures at the P10 plant and the funds collected in the Reserve & Contingency fund for the purpose of paying for those expenses. In 2020, the cost of capital improvements exceeded the funds available in the R & C fund (as expected). The General Bond Resolution typically requires that any shortage be collected from project participants; however, since excess funds from the last several years have been transferred to the P10 reserve fund, VPPSA staff recommends that the shortage be drawn from the reserve fund. Resolution 2020-02 authorizes the use of the available funds within the R & C fund and the shortage being transferred from the P10 reserve fund.

The motion to accept Resolution 2021-02 as presented was approved.

7. 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. VPPSA is analyzing and confirming the numbers from the latest propagation study and next round of pricing from Aclara. Ken reviewed Northfield's preliminary report, and the total project costs and is expecting to get individual reports out to each of the members by the end of the week. There was a brief discussion regarding who would be responsible for meter repairs, how funding/financing would look for the project and what needs to be included with the filing with the PUC.
 2. An internal meeting was held on February 1st to perform the cost accounting exercise necessary to allocate cost across each of the participants.
 3. A contract evaluation committee meeting is scheduled for February 10th to begin the process of negotiating final contract arrangements with Aclara.
 4. VPPSA is proceeding with the development of documents and cost benefit analysis necessary for the regulatory filing of Docket 7307.
8. The General Manager gave an update on the GMP Broadband Make Ready Proposal. Staff has been working with GMP and VELCO in an attempt to find methods to promote greater broadband deployment without affecting electric ratepayers. GMP is in discussions with the DPS about a possible tariff rider that would result in broadband providers receiving a discount to make ready costs. GMP is seeking support from other utilities for their filing and has asked if others would look at a similar approach. VEC is considering joining GMP's approach. Staff discussed the concept with the Board to assist with developing our position. Board members expressed concern with VPPSA making any commitments before anticipated federal funding is resolved. As cost based

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providers, the members were concerned that any discount or credit would be directly passed to customers and would likely have a greater rate impact for municipal utilities than what would be experienced by GMP.

- 9.** Melissa Bailey, VPPSA's Manager of Government Relations, provided an update on recent Legislative and Regulatory activities. The 2021 legislative session is in full swing. The Administration will be working with the legislature on requirements related to rate design and Electric Vehicles. Melissa also noted that the Governor's budget proposal includes significant investments in community solar (\$10M) and weatherization (\$25M) from the General Fund. These are one-time funds and VPPSA will reach out to the DPS to attempt to influence program design. Staff continues to work with stakeholders on VPPSA's proposal for achieving rate flexibility. PUC proceedings include the final report on All-Fuels Energy Efficiency and the Disconnect Moratorium that has been reinstated by the PUC through March 31, 2021. Melissa reminded the board that the reporting requirements on arrearages and outstanding balances are due to the PUC, March 15, 2021. Melissa also gave an update on RES compliance; specifically that the 2019 RES Compliance has been approved and that the notices regarding the members' Power Supply Portfolios and RES compliance will be going out this month.
- 10.** Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. This includes the revised 2021 Tier 3 annual plan, 2021 rebate/incentive offerings, Custom Tier 3 savings/opportunities and ongoing efforts specifically with strategies for managing peak related costs, WEX Energy pilot and the Pay-AS-You-Save financing model. Julia mentioned the informational web meeting that was held for utility staff and appreciated the participation. A rebate handbook is being created for member staff to help answer questions they may have from utility customers. Julia also spoke of the VPPSA and EVT proposal for Tailored Utility Programs in Barton, Jacksonville and Ludlow.
- 11.** Alex Nicholson, VPPSA's GIS Technician, provided a brief update on the activities of the GIS project. It was noted that Alex has begun development of the Hardwick LIDAR pilot and confirmed that GIS data will function with load analysis and is moving forward. Alex also conducted outreach to Ludlow to review field schema and data design and provide login capabilities to their ARCGIS online account. Orleans and Enosburg meetings are pending. Preparations are also underway for the next GIS working group meeting where map symbology will begin to be developed. Alex also had discussions with ESRI personnel which indicated that adding specific ESRI modules to VPPSA's license could provide analytics at a lower cost. Alex is working with ESRI to identify the suite of modules they believe would be needed and what the final cost would be. A significant amount of time was spent in January evaluating whether using VELCO's ESRI license was a viable cost reduction methodology. After several meetings with Andrew Flynn, Alex now understands that the actual structure does not give VPPSA any access to VELCO licenses for our own use and therefore could not identify any cost savings for VPPSA. The General Manager had a meeting on Friday afternoon with the VELCO executive team to discuss whether any changes in structure were possible. Moving forward VPPSA and VELCO will identify granular and specific data collection examples to clarify and alleviate the identified issues.
- 12.** Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided an update on the activities at Project 10. The General Manager also gave an update on capital which included:

 - a. Backup Generator - soil borings have been completed and grounding design is well underway. The project remains on schedule for Spring 2021 installation.
 - b. Building Addition - Dubois & King has been hired to design the concrete pad for the expansion and the original control room manufacturer will construct the expansion. This project remains on schedule for fall 2021.
 - c. Property Insurance - Crystal has been doing some insurance requirement research, staff will be evaluating the flexibility that may exist under the General Bond Resolution. An

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internal review will revisit the borescope reports and determine whether the reports support revisions to the Project 10 Capital Plan with the goal to provide an evaluation of options by fall 2021.

13. The General Manager provided a brief update on several topics, including:

- 1) Barton Status - Kate Kran gave her notice to Barton and will be leaving at the end of February. The Barton Trustees are looking at options and have turned to VPPSA for support. In discussions with the Trustees as well as VEC regarding possible structures. More will be shared in the Executive Session related to personnel.
- 2) Discussions with Rebecca Towne - relative to the VELCO Independent Public Power Directors. While she was supporting the candidates this year, she wanted to have a broader discussion about criteria for selection and whether new Directors should be considered in the future.
- 3) GMP/Global Foundries - Mari McClure informed VPPSA that GMP is working on an agreement with Global Foundries that could result in Global Foundries becoming its own utility and be removed the GMP system. This will be discussed further at the VELCO Board meeting and will likely become a PUC case.
- 4) PUC privacy/security requirements - VPPSA has filed a request with the PUC for a Declaratory Ruling finding that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements, and therefore VPPSA members can share retail customer information with VPPSA to the extent that doing so is required for VPPSA to support its members. The PUC has requested comments on the filing.
- 5) FEMA's emergency declaration rules - Meredith Dolan informed VPPSA of a proposed change that would significantly increase the statewide threshold for declaring an emergency. Comments on the change are due in February and VPPSA is considering submitting comments.

14. Director Humphrey made a motion to find that the premature disclosure of information related to VPPSA's potential contract to provide staff coverage for Barton and the resulting interplay with staff succession planning would put the Authority at a disadvantage. The Motion was seconded by Director Fitzhugh and approved unanimously. Director Humphrey made a Motion to enter executive session to discuss Barton staff Coverage & Succession Planning, as allowed under provisions Title 1, Section 313 (1)(A). The motion was seconded by Director Fitzhugh and approved unanimously.

The Board entered Executive Session at 12:43 p.m.

The Board returned to open session at 1:12 p.m.

No action was taken.

15. Other Business.

Director Morley asked if there was any information related to the Small Annual Report filing and if utilities were going to be required to file those this year. It was noted that there has not been any indication that the reports will be required in 2021; however, the Public Service Department has indicated they are in the process of revising the document and will expect filings in the future. Director Morley also inquired about the Coventry landfill and questioned whether VPPSA might be in a position to get involved with that project given its growth in size. The General Manager noted that Washington Electric Cooperative had rights to the landfill and any project VPPSA pursued would need to be in partnership with WEC; however, this was a possibility that staff would consider and discuss with WEC.

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The meeting was adjourned at 1:18 p.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary