



## Regular Board of Directors Meeting Minutes

November 3, 2021

### Board of Directors:

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

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

### Alternates present:

Lynn Paradis, Swanton (P)	Shelia Evans (P)

### Others present:

Ken Nolan, VPPSA ( <b>X</b> )	Crystal Currier, VPPSA ( <b>P</b> )	Amy Parah, VPPSA ( <b>X</b> )
Kim Lyon, VPPSA ( <b>X</b> )	Melissa Bailey, VPPSA ( <b>X</b> )	Julia Leopold, VPPSA ( <b>X</b> )
Amanda Simard, VPPSA ( <b>P</b> )	Ken St. Amour, VPPSA ( <b>X</b> )	Shawn Enterline, VPPSA ( <b>X</b> )
Steve Farman, VPPSA ( <b>P</b> )	Heather D'Arcy, VPPSA ( <b>P</b> )	Alex Nicholson, VPPSA ( <b>P</b> )
James Gibbons, BED ( <b>P</b> )		

1.

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

3. Chairman Beliveau called the meeting to order at 9:33a.m.
4. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were made.

Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.

Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on October 6, 2021. The motion was seconded by Director Elwell. Motion approved.

## APPROVED

5. Director Jones made a motion to accept the Treasurer's report as of September 30, 2021. The motion was seconded by Director Elwell. The Assistant Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending September 30, 2021. Overall, VPPSA has collected approximately \$200K in excess of expenditures - this includes payroll and overheads being overbudget by 2.7% or \$40K and office supplies and expenses are underbudget by 34% or \$238K. The primary driver in revenues being underbudget are the two standard offer projects (Salvage Yard and Davis/Center Rd) that were delayed in coming online. The primary drivers in expenses being underbudget are VPPSA's travel/conference budget (lack of training/travel) and lower legal and outside services.

The motion to approve the Treasurer's report for the period ending September 30, 2021, was approved.

Director Morley made a motion to approve Resolution 2021-06 related to the 2021 Vt. Transco Equity purchase and related financing. The motion was seconded by Director Petraska.

6. The Controller reminded the Board that Vt. Transco often issues member units in an effort to raise capital and this equity issuance is similar to those they have seen previously. Resolution 2021-06 provides the financing mechanism for VPPSA to facilitate the equity purchase for those members "assigning" their units to VPPSA.

The motion was approved.

7. The General Manager reminded the Board that Dave DeSimone has been working with Dave Gagne and MD&A for the past several months to evaluate the various scenarios for how to proceed with the Project 10 overhaul requested by VPPSA's insurance company. The various options were reviewed. Director Sullivan asked when the Project bonds will be fully paid and what the remaining balance is - the Controller confirmed that the bonds mature in 2029 and the remaining balance is just over \$12M.

8. The Board was not requested to take action at this time; however, the staff recommendation is to move forward with the overhaul of both units including replacing both the front and rear blades. This provides a much stronger position to negotiate with the insurance company and will increase the project output. The projected cost for both units is approximately \$1.67 million which would be covered in full by the reserve fund. This scenario is currently reflected in the P10 capital budget. The capital budget was reviewed to review the impacts on outlying years.

The General Manager provided a presentation of the 2022 operating budgets. This is the second draft and includes all operating budgets. A review of the changes since the October draft were reviewed.

Changes in revenues include:

Increase in Barton, include Jacksonville, additional Kearsarge revenue

Changes in expenses include:

Assistant Controller - new position - increase  
Changes to health insurance - decrease  
Key accounts travel expenses - decrease  
Property management - new vendor - increase  
Property insurance - increase  
Media communications - increase  
Forecasting services - move to Itron - increase  
Expand cyber security - increase

## APPROVED

### Projects:

Removed capital reserve of \$52K for P10  
Reduced Tier 1 RES REC pricing  
Revised Tier 3 RES Budget to "filed" plan  
McNeil Budget updated (BED information received)

The changes were reviewed and discussed in detail. It was noted that staff will review the numbers further and if needed a special meeting will be held to discuss the budget further, prior to expecting the Board to take action in December.

Shawn Enterline, VPPSA's Senior Power Analyst has prepared an initial draft of each member's CY22 power supply budget. A brief review of the member's individual results were presented and it was noted that staff will be following up with members individually to review, discuss and make any requested changes.

9.

The General Manager informed the Board that the Board/staff committee that was established as a result of the June Board retreat, held its first meeting on October 26<sup>th</sup>. The members of the committee include: Reg Beliveau (Swanton), John Moley (Orleans), Bill Humphrey (Lyndonville),

10.

Ken Nolan (VPPSA), Crystal Currier (VPPSA), and Melissa Bailey (VPPSA). Penny Jones (Morrisville) and Jon Elwell (Enosburg) are invited to attend (but did not attend this specific meeting).

A brief overview of the topics the committee discussed include: 1) Accounting, 2) Engineering and 3) Lineworkers. The committee also discussed a number of future scenarios including: 1) Business as Usual, 2) Centralize efforts at VPPSA, 3) Greater cross-member coordination outside of VPPSA, and 4) Greater use of contractors/partners. The committee consensus was to focus on scenarios two and four; with specific focus on what a new accounting position would look like and establishing a partnership with an engineering firm. The Board did not object to this approach.

11.

Ken St. Amour, VPPSA's Manager of Technology and Security Services, provided a brief update on the AMI project activities. It was noted that Bill Ellis has all contract documents including the Statement of Work for legal review. Once the initial contracts are finalized, contracts between VPPSA and the individual members will begin.

12.

Meetings with the member's individual Boards as begun and members were encouraged to contact staff to schedule those meetings as soon as possible. The General Manager noted that initial discussions with a lender was held regarding the AMI project and potential financing options.

13.

The General Manager provided a brief update on the CUD efforts. On several fronts, activities are ramping up but several concerns related to the make-ready work have surfaced and need to be overcome. A number of organizations are indicating that the Infrastructure and Reconciliation Bills currently in Congress will include billions of funds for broadband related efforts and it is likely that additional pressure will be brought for VPPSA and its members to partner with CUDs to access more federal funds. It was noted that the existing CUD funding will only fund approximately 25% of the projected costs. Other aspects of the CUD efforts were reviewed and discussed.

Melissa Bailey, VPPSA's Manager of Government Relations, provided a brief report on Legislative activities.

- A Climate Council and its Climate Action Plan
  - There was a lengthy discussion on the impacts of the climate action plan and its related efforts.
- Outreach sessions with Member Legislators

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Ms. Bailey provided an update on Regulatory activities, highlighting the following rules/cases/dockets:

- Net metering [Rule 5.100]
- Low income rates [Case#20-03]
- Energy Storage [Case#21-3883]
- Rate Flexibility [Case #21-2642]
- Interconnection [Case #21-642] -
- On-Bill Tariff Update

Julia Leopold, VPPSA's Communication Specialist, provided a detailed update on RES activities, including the 2020 RES compliance filing, the 2021 Tier 3 program highlights, and the 2022 program planning. A brief summary of measures by member utility were reviewed.

14. Alex Nicholson, VPPSA's GIS Administrator, provided an update on the GIS project. The highlights include:
15.
  - The CUD deployment continues with data continuing to be reviewed for the members of Jacksonville, Lyndonville, Orleans and Barton. VPPSA staff continues to work with CUD to collect and share information but it has been a challenging and time consuming effort.
  - The VPPSA schema is now in the completion phase and focus is being shifted towards standardizing the data values.
  - A data dictionary is in the beginning phases of development.
16. The General Manager provided a brief report on operational activities at Project 10. They include:
- The building addition is nearing completion with only finishing construction items underway.
  - MD&A completed the borescope testing as scheduled - final report is pending.
  - Options and recommendations for turbine overhaul complete (as discussed in agenda item 7).
  - Capital Plan is complete and incorporated into 2022 budget.
  - Researching option for the addition of potable water supply to the building.
17. From an operational standpoint, the units continue to operate well and is fully covering VPPSA's reserve commitments. A busy winter is expected as forward prices indicate that the plant may run more than usual.

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

- 1) WEC - staff is beginning to receive and implement support activities requested by WEC.
- 2) Hyde Park - Carol Robertson has confirmed that they would like VPPSA to assist in filing a rate case.
- 3) McNeil District Energy - Discussions continue with BED relative to the District Energy Project with a slight hiatus as BED and VGS work directly on the broad contract framework.
- 4) Transmission - Awaiting FERCs reaction to comments filed in response to the Advance Notice of Proposed Rulemaking.
- 5) NEPPA - updated on several various issues that have taken up considerable time.

## APPROVED

### Board Member Updates

Director Jones updated the Board on Morrisville Water & Light's efforts with regard to Green Reservoir. There will be a public meeting held within the next week to discuss decommissioning the hydro plant.

### Executive Session

18. Director Petraska made a motion to enter Executive Session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues. The motion was seconded by Director Humphrey. The motion was approved.
19. The Board entered Executive Session at 2:20 p.m.  
The Board returned to Regular Session at 2:25 p.m.

### Other Business

None

20. Director Petraska motioned to adjourn, seconded by Director Morley. The meeting was adjourned at 2:26 p.m.

Respectfully submitted,

*Crystal Currier*

Crystal Currier, Secretary  
Amy Parah, Assistant Secretary