



Regular Board of Directors Meeting Minutes

January 5, 2022

Board of Directors:

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|----------|---------------------------|----------|------------------------------|
| | Vacant, Barton | | Bill Humphrey, Lyndonville |
| | Jonathan Elwell, Enosburg | P | Penny Jones, Morrisville |
| P | Mike Sullivan, Hardwick | P | Stephen Fitzhugh, Northfield |
| | Vacant, Jacksonville | X | 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:

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| Lynn Paradis, Swanton (P) | |
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Others present:

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|---------------------------|---------------------------|--|
| Ken Nolan, VPPSA (X) | Heather D’Arcy VPPSA (P) | |
| Kim Lyon, VPPSA (X) | Melissa Bailey, VPPSA (P) | |
| Alex Nicholson, VPPSA (P) | Ken St. Amour, VPPSA (P) | |
| Josh Bancroft, VPPSA (P) | Steve Farman VPPSA(P) | |
| James Gibbons, BED (P) | Amanda Simard VPPSA(P) | |
| Amy Parah, VPPSA (P) | Shawn Enterline VPPSA (P) | |

Numbers in bold type correspond with agenda item numbers:

1. Chairman Beliveau called the meeting to order at 9:33a.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 regarding personnel and contractual matters.
- 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 Morley made a motion to accept the minutes of the Regular Board of Directors meeting held on December 1, 2021. The motion was seconded by Director Jones. Motion approved.

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5. Director Fitzhugh made a motion to accept the Treasurer's report as of November 31, 2021. The motion was seconded by Director Morley. The Assistant Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending November 30, 2021. Overall, VPPSA has collected approximately \$243K in excess of expenditures - this includes payroll and overheads being overbudget by 3.26% or \$56,846K and office supplies and expenses are underbudget by 28% or \$199,871K. 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 November 30, 2021, was approved.

6. Director Fitzhugh moved to approve the Resolution 2022-01 Ratification of Prior Actions. The motion was seconded by Director Jones.

The motion to approve Resolution 2022-01 Ratification of Prior Actions, was approved.

7. Shawn Enterline, VPPSA's Senior Power Supply Analyst, gave a short synopsis of existing power cost variance through the November period. He presented a spreadsheet showing the budget to actual variance of the cost of power supply. There was a brief discussion on the factors that drive the rates, challenges to forecasting and how rates are constantly changing.

8. The General Manager discussed the implementation of a new budget billing approach, (this is part of the 2022 Strategic Plan), and the two possible scenarios. The first option would record the actual power costs on the books of each utility but pay the budgeted amount, a true up for the payments would be done at year end and be included in the following year's budget. The second approach would have VPPSA recording the actual costs but billing the budgeted amount each month. Members would record the VPPSA bill as their actual power cost, and a similar true up would happen at year end. After discussing these options with some member accounting personnel, staff has found that both options present concerns. The General Manager suggested moving away from this entirely but discussed the possibility of a payment plan and what that would look like. There was additional discussion on what problems are trying to be resolved and how the needs of each utility can be addressed with implementing a new billing approach. VPPSA staff will continue work on creating a workable approach and present to the board on a later date.

9. Ken St. Amour, VPPSA's Manager of Technology and Security Services has been approached about a Homeland Security Grant Program and explained the details. There is a small window to apply for 2022 but he would like to know if the board would like him to continue the process and seek grant money to help pay for the requirement of additional securities such as Two Factor Authentication. There was also a discussion about how Cyber Insurance plans are increasing their requirements and about keeping VPPSA, as well as our members security current. The Board was supportive of VPPSA moving forward.

10. Ken St. Amour, VPPSA's Manager of Technology and Security Services, provided a brief update on the AMI project activities. TD Bank has been provided with the financial information and it is now in VPPSA's hands to finalize the project outline. There was a question about possible grants to help with the cost. VPPSA staff have mentioned our need in recent legislative meetings and continues to research funding options.

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11. Melissa Bailey, VPPSA's Manager of Government Relations, informed the Board that her last day will be 02/02/2022 as she has accepted a management position with the Department of Public Service. Ms. Bailey provided a brief report on Legislative activities.

- There are not a lot of bills to react to at this time.

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

- Net metering [Case#19-0085] The PUC may wait until after the legislative session to move ahead
- Interconnection Rule [Case#19-0085] A draft of revised Rule 5.500 is out for stakeholder review
- Low Income Rates [Case#20-0203] The comment deadline has been extended to January 7th. There was a lengthy discussion on this Case.
 - The PUC has put out specific questions and Ms. Bailey is looking for input from Board members.
 - Present Board members spoke on whether they felt that funding and/or implementation should be handled by the State or by local utilities. The majority felt local was the best route.
- Energy Storage [Case #21-3883] A workshop on aggregation of resources will be held on January 13th. An additional workshop will be held on January 20th and will include the treatment of storage at existing net-metered and standard offer projects.
- Rate Flexibility [Case#21-2642] Rate adjustment standards have been adopted by the PUC.
- EV Rates - The PUC will have to submit a report to the legislature regarding rates for electric vehicle charging.

12. Ms. Bailey also addressed a previous discussion about a proposal from Efficiency Vermont and VHFA for an optional to-the-meter tariff that would allow energy efficiency, electrification and weatherization projects that would all be funded by VHFA and paid through customer electric bills. VHFA was allocated \$9 million to support this over the next two years.

- Named: WRAP - Weatherization Repayment Assistance Program.
- Utilities would collect the money and pass it along.
- Ms. Bailey asked if Board members felt their utilities would be interested in participating in the program.
- There will be additional information available at the next Board meeting.

13. Ms. Bailey, also provided an update on RES activities, including the approval of the 2020 RES compliance filing, the 2021 Tier 3 program highlights, and the 2022 program planning.

- One more month of incentives before the close of 2021.
- Heat pumps continue to be the most popular incentive being take advantage of.
- Prescriptive programs are exceeding what was estimated at the beginning of 2021.

14. Alex Nicholson, VPPSA's GIS Administrator, provided an update on the GIS project. The highlights include:

- NEK CUD:
 - Hardwick - Initial data collection is complete, accurate data has been shared with the proper CUD authorities
 - Lyndonville/Orleans - Data is continuing to be reviewed.

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- Barton - Data for this area has been reviewed and found lacking and cannot be of use in the CUD process.
- CV CUD:
 - Monthly meetings are set and data collection for the Elmore region is set for 2022.
- DVFiber:
 - Jacksonville date is being reviewed. Staff is converting CAD data to useable GIS data.
- Northwest CUD:
 - VPPSA has requested a meeting with NW CUD staff GIS to go over data sharing, still waiting on a response.
- VPPSA GIS Data Standards:
 - Schema has been completed. The creation of the VPPSA GIS Data dictionary has begun.
- Morrisville Server Migration:
 - Their server is set for upgrade, the old server will be retired.

15. The General Manager provided a brief report on operational activities at Project 10. They include:

- The water fountain has been installed.
- Winter preparations have been completed.
- Dave Gagne and David DeSimone are receiving bids for the potential overhaul in the Summer of 2022.
- The property insurance has been renewed at a 13% increase from last year. This was less of an increase than what was expected.
- The building addition is almost complete. The one issue continues to be the roofline between the control room and new building. VPPSA is currently working with the manufacturer on a solution. Final payment is being withheld until this has been resolved.

From an operational standpoint, the units continue to operate well and is fully covering VPPSA's reserve commitments.

16. The General Manager and Director Fitzhugh provided a brief update on the Vermont Winter Operations Task Force:

Director Fitzhugh discussed that in response to the ISO NE Press Release, VELCO is developing a winter operations task force and communication protocol for the implementation of emergency procedures. It has been requested that Members with control rooms and/or VPPSA staff, join the taskforce. Director Sullivan was asked his thoughts on joining and he agreed to represent the Board. It was also discussed to add a VPPSA staff member as well.

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

- 1) WEC - The transition continues to run smoothly. VPPSA staff continues to support WEC and help them create procedures.
- 2) McNeil District Energy - A resolution is expected shortly.

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- 3) Communications - Staff continues to work with Momentum Communications. They are moving on from Board member interviews and will be reaching out to a subset of Trustees. Staff is anticipating a draft communication plan in February.
- 4) Jacksonville - Both Jacksonville office staff are intending to leave by April 2022. Jacksonville has hired one replacement staff member and are considering the second. VPPSA will continue to assist with coverage and training.

18. Board Member Updates None.

19. Executive Session

Director Beliveau made a motion to find that premature public disclosure of contractual and personnel matters would place the Authority at substantial disadvantage. The motion was seconded by Director Morley. Motion approved.

Director Beliveau moved to enter Executive Session to discuss contractual and personnel issues under the provisions of 1 V.S.A. §313(a)(3). The motion was seconded by Director Morley. Motion approved.

The Board entered Executive Session at 12:07pm.
The Board Returned to Regular Session at 12.36 pm.

20. Other Business None.

Director Morley motioned to adjourn, seconded by Director Jones. The meeting was adjourned at 12:37p.m.

Respectfully submitted,

Kimberly Lyon

Kimberly Lyon, Assistant Secretary