



Regular Board of Directors Meeting Minutes

March 2, 2022

Board of Directors:

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

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

Alternates present:

Lynn Paradis, Swanton (X)	
Abbey Miller, Enosburg (P)	

Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (P)	Amy Parah, VPPSA (X)
Sarah Braese, VPPSA (X)	Shawn Enterline VPPSA (X)	Heather D'Arcy VPPSA (P)
Alex Nicholson, VPPSA (P)	Amanda Simard VPPSA(P)	Julia Leopold, VPPSA (X)
Josh Bancroft, VPPSA (P)	Steve Farman, VPPSA (P)	James Gibbons, BED (P)
Emily Boedecker, Momentum (P)	Elise Annes, Momentum (P)	

Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:38 a.m.

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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 Morley made a motion to accept the minutes of the Regular Board of Directors meeting held on February 2, 2022. The motion was seconded by Director Humphrey. Motion approved.
5. Director Morley made a motion to approve the Monthly Financial report for the period ending December 31, 2021. The motion was seconded by Director Jones.

The Controller provided a review of the 2021 operational revenue vs expenses with an overall excess of approximately \$64K (after accounting for the return of \$175K to members). It was noted that there were minimal changes from what was reported in December – the changes were primarily year-end accruals and adjustments. In addition to the operational activities, the Controller provided a brief report for each of the project operations.

The financial information has been provided to the auditors and it is fully expected the audit report will be presented to the Board on April 6, 2022. It was noted that VPPSA met all of its debt service coverage ratios for CY 2021.

The motion was approved.

6. Director Morley made a motion to approve the Monthly Financial report for the period ending January 31, 2022. The motion was seconded by Director Humphrey.

The Controller provided a review of the 2022 operational revenue vs expenses and noted that since this is only the first month of the year, there is little to report on; however, payroll and overheads were underbudget by 2% or approximately \$3,400 and office supplies and expenses were underbudget by 39% or \$43K. Overall, expenses exceeded revenues by approximately \$53K, but that is typical for this early in the year.

The motion was approved.

7. Director Humphrey moved to approve the Resolution 2022-03 Adopting the National Incident Management System (“NIMS”). The motion was seconded by Director Petraska.

The General Manager presented Resolution 2022-03 and explained that VPPSA has been invited to submit a Homeland Security grant for Cyber Security. This grant will seek funds to conduct audits to determine the status of all members and provide recommendations and improvements. One requirement of the application is that VPPSA adopt the National Incident Management System (NIMS) and VPPSA’s adoption of NIMS would also apply to all sub-grantees (the members). VPPSA staff does not believe the adoption of NIMS will have a material effect on VPPSA operations or its members.

The motion to approve Resolution 2022-03 Adopting the National Incident Management System, was approved.

8. The General Manager introduced Elise Annes and Emily Boedecker from Momentum Communications who were present (virtually) to report their findings related the audit report they conducted. They went through what they heard from the various stakeholders and provided their recommendations.

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What they heard:

- VPPSA is attentive, values public power, plays an important role in Montpelier, staff is helpful, supportive and knowledgeable
- Directors, staff and trustees are known in their communities and they put a face to public power
- Challenges exist for VPPSA, Members and Ratepayers
- There is not a consistent agreement on what VPPSA's tag line represents
- Legislators and Regulators are not recognizing that VPPSA and the Directors represent the ultimate ratepayers
- There is concern with VPPSA's identity and how the Member's identity correlates to VPPSA

Several recommendations were provided that included: prioritizing the audience, developing an effective education and outreach process, developing ways to communicate the value of public power and creating a campaign message. There was a lengthy discussion regarding the items presented; specifically, how some items effect each member individually, however the overall consensus was support for this effort.

9. The General Manager informed the Board that the 2022 NEPPA annual meeting is scheduled to be held in Stowe this August. NEPPA has typically requested the utilities in the host State to provide gift bags for conference attendees. NEPPA has also asked if VPPSA would be a sponsor along with other non-VPPSA member utilities. The Board was requested to provide feedback as to whether they felt VPPSA should commit resources to the effort, or if member utilities wanted to do so individually, or both. The Board supported VPPSA taking the lead. The General Manager noted that this would be absorbed within the VPPSA budget.

10. The General Manager provided a brief update on the status of the AMI project. Activities include:

- VPPSA staff continues to meet with individual members.
- Financing continues to be pursued with TD Bank.
- VPPSA/Member contract development is in final stages.
- Staff continues to work to obtain State appropriation for a 50% matching grant.

11. The General Manager provided a brief report on Legislative and Regulatory activities. They include:

Legislative:

- 1) Grid Modernization Utility request
- 2) Utility Construction Clean Up
- 3) Renewable Energy Standards

Regulatory:

- **Case #19-0085 Net Metering Rule** - case remains open but the PUC may wait until after the legislative session to proceed.
- **Case #19-0085 Interconnection Rule** - A draft revised Rule 5.500 has been circulated with comments due February 11th. Awaiting next steps.
- **Case #20-0203 Low Income Rates** - Comments on potential funding structures for a statewide low-income rate were filed with the majority of stakeholders being opposed to a requirement to offer a low-income rate. PUC has not taken action yet.

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- **Case # 21-3883 Energy Storage** – Stakeholders await a PUC respond to the comments and workshops held in December/January.

12. Julia Leopold, VPPSA’s Director of Public Affairs provided an update on RES activities, including the 2021 Tier 3 program highlights, and the 2022 program planning.

2021 Highlights:

- Prescriptive - 486 rebates met 106% of compliance needs
- Custom - Three custom projects met 51% of compliance needs
- Combined - 18,258 MWh savings, or 157% of compliance with the average program cost of \$30.58/MWh
- Compliance will be filed March 15, 2022

2022 Program:

- To date, received rebates for golf carts, EVs, lawn mower and yard care
- Gearing up for new pilots including, EV Charge pilot, WRAP, Fuel-switching, Wex Energy PolarSkins and more tailored efforts
- VPPSA has applied for a grant in an effort to provide additional rebates to customers that will help incentive customers to participate in certain programs

13. The General Manager informed the Board that as previously communicated, January was a brutal month for power supply due to a number of reasons.

Coupled with high loads and high wholesale prices resulted in January invoices being higher than the prior year of approximately \$1.6M. Shawn Enterline, VPPSA’s Senior Power Analyst provided an overview of the primary driving factors, the budget vs actual for each member and next steps. The General Manager reminded the board that VPPSA has already drawn on the Line of Credit so if the members need some extra time to pay their Power Supply Invoice VPPSA will work with members.

14. Alex Nicholson, VPPSA’s GIS Administrator, provided an update on the GIS project. The primary activity over the last month has been to complete the data dictionary, begin post dictionary implementation, and the conversion of GIS data. Efforts related to the CUD continue to establish routes for member field data collections.

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

- Building addition is usable and available for meetings. The final roof repair is scheduled for spring and office setup is underway.
- Dave Gagne and David DeSimone are receiving bids for the potential overhaul in the Summer of 2022.
- Both units continue to have good starts and is fully covering VPPSA’s reserve commitments.

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

- 1) Winter Reliability -VELCO continues to convene the Winter Readiness Task Force and communications between the parties continue to improve. The main issue of concern at the moment is VELCO’s position that if utility load curtailments don’t meet requirements VELCO will “drop the Lamoille load pocket” which would include Stowe, Morrisville, Hardwick, Johnson, Hyde Park and parts of the GMP and VEC systems. VELCO will be setting up a specific meeting with those utilities to discuss individual plans and how they might interact with the VELCO plan.

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- 2) The MEAV group met on February 24th and during that meeting there was discussions regarding the creation of a Vermont based training program. In general, there was a strong support to conduct more training within the state and that perhaps VPPSA could assist in the effort.
- 3) Resiliency Grants- The NEK CUD has contacted VPPSA to see if VPPSA is interested in participating in a joint grant application under the federal resiliency program seeking funds to move utility lines to roadside. Staff is beginning to research if a grant application would be beneficial.
- 4) WRAP - Reminder to those that want to participate in the VHFA WRAP program to contact either Ken Nolan or Steve Farman.

17. Board Member Updates

Chairman Beliveau and Director Morley presented a plaque to Bill Humphrey and thanked him for his many years of service to the VPPSA Board. Members and staff wished him well in his retirement.

Chairman Beliveau reminded the Board that with Director Humphrey's retirement this leaves a vacant seat on the NEPPA Board. There was a brief discussion on who should fill that seat. Director Morley made a motion to nominate Director Jones to the NEPPA Board, the motion was seconded by Director Humphrey.

18. Executive Session

None.

19. Other Business

None.

Director Morley motioned to adjourn, seconded by Humphrey. The meeting was adjourned at 2:43p.m.

Respectfully submitted,

Amy Parah, Assistant Secretary