



## Regular Board of Directors Meeting Minutes

May 4, 2022

### Board of Directors:

	Vacant, Barton	<b>X</b>	Jonathan Elwell, Lyndonville
	Vacant, Enosburg	<b>X</b>	Penny Jones, Morrisville
<b>P</b>	Mike Sullivan, Hardwick	<b>X</b>	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	<b>X</b>	John Morley, Orleans
	Vacant, 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)	Abbey Miller, Enosburg (P)

### Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (X)	Amy Parah, VPPSA (X)
Grace Sawyer (X)	Shawn Enterline VPPSA (X)	
Sarah Braese, VPPSA (P)	Julia Leopold, VPPSA (X)	Steve Farman, VPPSA (P)
Amanda Simard VPPSA (P)	Ken St. Amour, VPPSA (P)	Alex Nicholson, VPPSA (P)
James Gibbons, BED (P)	Troy Dolan, Johnson (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. The General Manager introduced Grace Sawyer and the Directors introduced themselves. It was also noted that Troy Dolan is sitting in for Johnson, although he has not been officially appointed to the Board.

No other 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.



## APPROVED

4. Director Elwell made a motion to accept the minutes of the Regular Board of Directors meeting held on April 6, 2022. The motion was seconded by Director Fitzhugh. Motion approved.
5. Director Petraska made a motion to accept the minutes of the Special Board of Directors meeting held on April 16, 2022. The motion was seconded by Director Jones. Motion approved.
6. Director Elwell made a motion to approve the Monthly Financial report for the period ending March 31, 2022. The motion was seconded by Director Fitzhugh.

The Controller provided a review of the 2022 operational revenue vs expenses and noted that expenses exceed revenues by approx. \$4K; which is less than the budgeted expectation of \$54K. Payroll and overheads are underbudget by 7.1% or approximately \$37K and office supplies and expenses were underbudget by 23% or \$67K.

The motion was approved.

7. The Manager of Information Technology and Security Services and the General Manager provided a brief update on the status of the AMI project. Progress on activities continue to be slow but steady - they include:
  - Financing continues to work with TD Bank on a financing structure - negotiating the term and fixed interest rate (with a potential swap to ensure the fixed rate).
  - Continued efforts on the VPPSA/Member contract development - after staff meeting with Bill Ellis, Bill is re-drafting the contract to segregate VPPSA-wide vs individual member costs.
  - Staff continues to work to obtain State appropriation for a 50% matching grant - currently the funding amount is \$8M and is now before the budget conference committee. VPPSA staff continues to push efforts on this front.
8. Julia Leopold, VPPSA's Director of Public Affairs, provided a brief report on Legislative activities. They include:
  1. FY23 Budget - VPPSA continues to advocate for state AMI funding within the FY23 budget appropriations.
  2. H.715-Clean Heat Standard - creates a program similar to Tier 3 for fuel dealers who are currently unregulated by the PUC. The Senate completely rewrote the bill and it has now turned into a lengthy PUC process. There was a brief discussion regarding this bill and how it relates to fuel companies and/or electric utilities.
  3. S.161- Ryegate - anticipated to be approved by the House and sent to the Governor.
  4. S.166-Utility Construction Clean Up - the Senate revised the bill and amended it to H.515 such that it puts an educational requirement on the PUC and DFR.
  5. H 518 Municipal Fuel Switching Program -a grant program that helps municipalities convert their building to more efficient heating systems that reduce fossil fuels use. Currently passed the House and continuing to move through the Senate.
  6. S.232/S.264- RES - unlikely to move this year but will be back in 2022/2023 session.

Director Morley asked about the status of the \$1M grant from DOE, appropriated by Senator Sanders office. The General Manager indicated that VPPSA has confirmed its information with DOE and has recently followed up to see when VPPSA might expect the funds. As of today, we have not received a response.

Sarah Braese, VPPSA's Manager of Government & Member Relations, provided a brief report on Regulatory activities. They include:

## APPROVED

- **Case #19-0085 Net Metering Rule** - case remains open but the PUC may wait until after the legislative session to proceed.
  - **Case #20-0203 Low Income Rates** - The PUC has issued an order requesting information as it relates to a state-wide or utility specific low-income rate with responses due May 27<sup>th</sup>, specifically three distinct scenarios that they have developed. Further discussion under agenda item #9.
  - **Case # 21-3883 Energy Storage** - Stakeholders await a PUC response to the comments and workshops held in December/January.
  - **Case # 22-0334-INV Net Metering Biennial Update** - VPPSA filed comments on April 25<sup>th</sup>, recommending modest, “downward adjustments to net-metering compensation” along with pursuing lower-cost alternatives. Other DU’s also submitted similar responses but solar developers and customer have submitted comments against the Department’s recommendations.
9. The General Manager provided a brief update on the Low Income Docket (previously mentioned in the Regulatory report). Director Sullivan requested the General Manager provide some background on this topic to determine the origin of the concept. The General Manager provided a brief history of the low-income rate and how it came about over the years.

On April 26<sup>th</sup> the PUC issued an order requesting specific information as it relates to a state-wide or utility specific low-income rate. The PUC laid out three distinct scenarios and strongly encourages participants to file their own modeling of these three scenarios or alternative scenarios that provide low-income bill assistance to customers of all Vermont utilities. The PUC has requested a large quantity of data from each utility - if members supply the needed data to VPPSA, VPPSA can respond on their behalf.

There was a lengthy discussion regarding the scenarios proposed by the PUC and the impact of those options on the municipal utilities. The overall consensus was that the utilities should not be involved in this type of program but there was a concern that if the members indicate that they won’t participate, it may exclude them from participation in the PUC process, which could result in a situation where they are ordered to participate in a program that may not be desirable.

The Board expressed that they were uncomfortable with programs that subsidize specific classes of customers to the expense of other customers. The Board requested that VPPSA obtain a legal opinion from legal counsel and to set a special meeting for further discussion.

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

2021 Program:

- o Compliance was filed on March 15, 2022
- o The DPS is currently verifying VPPSA’s savings claims by auditing the rebates and custom projects as submitted.

2022 Program:

- The 2022 obligation is 13,907 MWh.
- To date, custom and prescriptive programs have led to 1,439 MWh or 10% of the obligation.

There was a brief discussion regarding municipal utilities installing fast charging EV stations and rebates that are available for those projects.

11. Shawn Enterline, VPPSA’s Senior Power Analyst provided an overview of the power supply markets, the primary driving factors related to power costs, and the budget vs actual for each

## APPROVED

member. There was a short discussion regarding how VPPSA will handle the member's coverage during the winter of 2023 when costs are projected to be very high.

**12.** Alex Nicholson, VPPSA's GIS Administrator, provided an update on the GIS project. The primary activity over the last month has been the focus on the GIS standard conversion project with the main goal being the conversion and creation of all existing member layers to the new GIS standard. Efforts on the CUD progress continue.

**13.** 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 to begin soon.
- The contract for completing the overhaul has been executed and crews expect to be onsite May 9<sup>th</sup> and work will extend into early June.
- Both units continue to have good starts and is fully covering VPPSA's reserve commitments. Unit #2 experienced one bad start recently, Dave has traced the issue and is working with Ethos Energy to assess the problem.

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

- 1) Assistant Controller - Grace Sawyer joined VPPSA on April 11<sup>th</sup> and is working closely with staff.
- 2) Winter Reliability -VELCO continues to convene the Winter Readiness Task Force. The group continues to meet monthly to refine plans and update VELCO's procedures.
- 3) Cyber Security - the DPS is holding a cyber security meeting on May 19<sup>th</sup> for all utilities. The meeting is intended to address requirements put in place by the PUC for all utilities to brief the DPS on their status annually. VPPSA plans to attend but those members who do not participate in VPPSA's cyber program should be prepared to provide their own report.
- 4) WRAP - Reminder to those that want to participate in the VHFA WRAP program to contact either Ken Nolan or Steve Farman. There has been a slight delay in the timeline due to questions raised by the DPS related to various enabling documents.
- 5) Payment Plans - Staff continues to work with two members related to requests to defer payment of their January/February power bills. Staff will keep the Board informed as to how the payments progress.
- 6) It was noted that with Bill Humphrey's retirement, VPPSA needs to appoint a new alternate to the VELCO operating committee. Director Jones recommended Director Sullivan. Director Sullivan indicated he was willing to act in this role and the Board was in consensus with this appointment.
- 7) Johnson Village continues to look for a municipal manager and there was a short discussion as to how VPPSA or the members might help with this need.

The Chair recessed the meeting for a 20-minute lunch break. The meeting reconvened at 12:40pm.

**15.** The General Manager updated the Board on the sale of Barton. It was noted that the Barton Trustees held two informational hearings; one on April 16<sup>th</sup> and another on May 1<sup>st</sup>. VPPSA and several VPPSA members were in attendance at one or both of these meetings and responded to questions from the public. VPPSA has been actively advocating for public power and in opposition to the utility sale by advertising in the Barton Chronicle in an effort to inform and provide information to as many stakeholders as possible. At the meeting on April 16<sup>th</sup> the Barton trustees indicated that they had provided VPPSA with notice of withdrawal in November of 2021 and that had not occurred. This notice was subsequently received on May 2<sup>nd</sup>.

## APPROVED

The General Manager provided a brief overview of the meetings, including a discussion regarding how Barton was intending to address their interest in VPPSA's project #10. Barton has not discussed these intentions with VPPSA and after discussion with bond counsel what Barton is proposing does not appear possible. More discussion on Project #10 will be held during executive session.

Director Morley indicated that residents/stakeholders are very engaged and asking questions. He reminded the Board that the vote will be by Australian ballot on Tuesday May 10<sup>th</sup>.

### 16. Board Member Updates:

- Director Jones inquired about the status of MEAV and how the members can encourage utilities to show up. The General Manager noted that previously Bill Humphrey took on the primary role in notifying utilities of upcoming meetings but offered that VPPSA can take on this role.
- Director Fitzhugh informed the Board that there will be an Energy Resilience Conference in Northfield on May 20<sup>th</sup>.
- Alternate Director Miller indicated that Enosburg has hired a Village Manager and they will be starting the first week of June.

### 17. Executive Session:

Director Elwell made a motion to enter Executive Session to discuss contract negotiations as allowed under the provisions of Title 1, Section 313 (1)(A) of the Vermont Statutes, given that premature general public knowledge of the Authority's discussions and/or negotiations with potential counterparties would place the Authority in a position to suffer a substantial disadvantage because it would expose proposed terms of the contract negotiations.

The motion also includes further executive session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues and to provide a follow-up to the April evaluation of the General Manager.

The motion was seconded by Director Fitzhugh. The motion was approved.

The Board entered Executive Session at 1:25 p.m.  
The Board returned to Regular Session at 2:00 p.m.

Director Sullivan made a motion to table the other options as presented by the General Manager and increase the General Manager's salary by 3% annually. Director Elwell seconded the motion. The motion was approved.

### 18. Other Business

None.

The meeting was adjourned at 2:00 p.m.

Respectfully submitted,

\_\_\_\_\_  
Crystal Currier, Secretary