



## Special Board of Directors Meeting Minutes

July 13, 2022

### Board of Directors:

<b>P</b>	Patty Richards, Barton	<b>X</b>	Jonathan Elwell, Lyndonville
<b>X</b>	John Dasaro, Enosburg	<b>X</b>	Scott Johnstone, 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 (X)	
Chris Recchia, Barton (P)	Penny Jones, Morrisville (X)

### Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (X)	Amy Parah, VPPSA (X)
Grace Sawyer, VPPSA (X)	Shawn Enterline, VPPSA (X)	Heather D'Arcy, VPPSA (X)
Sarah Braese, VPPSA (X)	Julia Leopold, VPPSA (X)	Steve Farman, VPPSA (X)
Kim Harris, VPPSA (P)	Ken St. Amour, VPPSA (P)	Elise Annes, Momentum (X)
Josh Bancroft, VPPSA (X)	Troy Dolan, Johnson (P)	Emily Boedecker, Momentum (X)

### 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 requested adding an action item to the agenda for the Board to approve the Retirement Plan Restatement Documents. The item was added as agenda item #7a.
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 Fitzhugh made a motion to accept the minutes of the Regular Board of Directors meeting held on June 1, 2022. The motion was seconded by Director Petraska. Motion approved. Barton abstained.
5. Director Fitzhugh made a motion to accept the minutes of the Special Board of Directors meeting held on June 27, 2022. The motion was seconded by Director Petraska. Motion approved. Barton abstained.
6. Director Fitzhugh made a motion to approve the Monthly Financial report for the period ending May 31, 2022. The motion was seconded by Director Petraska. Barton abstained.

The Assistant Controller provided a review of the 2022 operational revenue vs expenses and noted that expenses exceed revenues by approximately \$46K; which is greater than the budgeted expectation of \$21K. Non-member revenues are under-budget by approximately \$116K or 48% which is primarily driven by the loss of revenue within the budgeted standard offer projects. Payroll and overheads are underbudget by 5.3% or approximately \$45K and office supplies and expenses were underbudget by 8.8% or \$39K.

The motion was approved.

7. The Controller provided calculations of the finance charges accrued related to the extended payment schedules that Enosburg and Morrisville requested for the power bills from the first quarter of 2022. It was noted that no finance charges were accrued by Enosburg. The General Manager provided a brief history of the circumstances for the new board members.

Director Fitzhugh made a motion to waive the finance charges for Morrisville as allowed by section 2(B)(3) of VPPSA's Policy F4. The motion was seconded by Director Petraska. The Motion was approved.

- 7.a The Controller provided a brief overview and discussion of the VPPSA Retirement Plan Restatement requirement. The detailed documents were provided to the Board. Director Fitzhugh made a motion to approve Board Resolution 2022-05 as presented. The motion was seconded by Director Elwell. Motion approved. Barton & Hardwick abstained.

There was a brief discussion about options for sending large file attachments to the Board rather than sending those via email.

8. Heather D'Arcy VPPSA's Power Analyst, provided a brief report and overview on Renewable Energy Credits and the members ongoing obligations.
  1. Overview of RECs being decoupled from energy.
  2. Overview of the arbitrage related to REC sales and purchases.
  3. Overview of Renewability in Vermont.
  4. Brief discussion about retiring RECS on behalf of specific customers and the market for RECs along with possible legislative changes coming up. Director Morley asked questions about the cost of RECs and the General Manager explained the difference in accounting treatment between bundled REC and energy products versus buying RECs separately. A brief discussion ensued around this and the ACP (alternative compliance payment).

## APPROVED

5. A brief discussion about the possible Net Metering changes coming up and Carbon free versus Renewable energy.
9. Elise Annes and Emily Boedecker from Momentum Communications, were on-site to present the results of the survey previously conducted over the last several months and recommendations for implementation including:
  1. Choose a team vision and tagline
  2. Identify skills that are important for Trustees and staff
  3. Promote understanding of local utilities and the benefits
  4. Celebrate your utility team
  5. Blow your own trumpet
  6. Renew mission statement
  7. Find alliances in local communities and the Statehouse

The Board members, the General Manager, Julia Leopold, and Sarah Braese participated in a workshop facilitated by Momentum Communications to begin developing a combined public power statement of purpose and tag line that can be used across all communications efforts.

Following the workshop Chairman Beliveau recessed the meeting for lunch. The meeting reconvened at 1:10pm.

10. 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 member. The General Manager gave some background on the reserve market constraints with P10 for the new members. Also noted was the fact that ISO-NE had decided not going to pay generators to fill their fuel tanks before the coming winter as had been done in previous years. There was a discussion regarding hedges, forward prices, existing contracts that are expiring and the plan for coverage moving forward.
11. Director Richards provided an update on their current strategy for utility operations over the next several months. Barton has sent out an RFP for various services due to the upcoming termination of the VEC contract.

The General Manager provided a brief update on the status of the Barton utility. The Board of Trustees have hired two consultants (Patty Richards and Chris Recchia) who are beginning their review of the underlying issues and possible solutions. Barton is also in the process of acquiring a truck to be used for meter reading and expecting to hire a new meter reader. The consultants do not anticipate being able to make a recommendation prior to town meeting in 2023 and do not expect voter approvals before the 2024 town meeting.

The General Manager opened a discussion on whether VPPSA would be the appropriate entity to respond to the RFP with a proposal. Various options were discussed around the premise of a mutual aid support agreement and contracted services. The Board discussed who should submit a letter of intent and determined that a special board meeting was necessary to continue this discussion.

12. The General Manager provided a brief report on the Strategic Planning outcome from the VPPSA staff retreat following the Board workshop.
  1. Staff reviewed the Board's priorities and comments and spent the day turning the Board list into a list of staff initiatives.

## APPROVED

2. Each of those staff items was assigned to a department for further refinement and definition. Staff will be spending time over the next month refining each item and developing workplans that can then be assigned budget projections.
  3. A brief discussion ensued around grant management and the status of the AMI grant. Director Richards commented on the current strategy and expressed concern about the political risks associated with the state grant management process.
- 13.** The written AMI project report was provided to the Board and no further discussion ensued.
- 14.** The written Legislative & Regulatory report was provided to the Board and no further discussion ensued.
- 15.** The written RES project update was provided to the Board and no further discussion ensued.
- 16.** The written Project 10 construction and overhaul update was provided to the board and no further discussion ensued.
- 17.** The General Managers written report, including updates related to Islesboro, ME and the Village of Johnson personnel and training issues was provided to the board and no further discussion ensued.
- 18.** There were no Board Member updates discussed.
- 19.** Executive Session: NONE
- 20. Other Business:** NONE

The meeting was adjourned at 2:44 p.m.

Respectfully submitted,

  
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Grace Sawyer, Assistant Controller