



Regular Board of Directors Meeting Minutes

August 3, 2022

Board of Directors:

	Patricia Richards, Barton	X	Jonathan Elwell, Lyndonville
	Vacant, John Dasaro	X	Scott Johnstone, Morrisville
P	Mike Sullivan, Hardwick	X	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	X	John Morley, Orleans
	Vacant, Johnson	X	Reginald Beliveau, Swanton
X	Thomas Petraska, Ludlow		

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

Alternates present:

	Abbey Miller, Enosburg (P)
Penny Jones, Morrisville (P)	Chris Recchia, Barton (P)

Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (X)	Amy Parah, VPPSA (X)
Grace Sawyer, VPPSA (X)	Shawn Enterline, VPPSA (P)	
Sarah Braese, VPPSA (X)	Julia Leopold, VPPSA (X)	
Amanda Simard VPPSA (P)	Ken St. Amour, VPPSA (P)	Alex Nicholson, VPPSA (P)
James Gibbons, BED (P)	Elise Annes, Momentum (X)	Emily Bodecker, Momentum (X)

Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:32 a.m.
- 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.

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- 4.** Emily & Elise from Momentum Communications presented the synthesis they have derived from the July workshop and proposed several internal values, vision statements and taglines. A lengthy discussion ensued around the united messaging and the 6 identified Brand Values: Sustainability, Dependability, Reliability, Affordability, Community, and We are a Team. More discussion ensued around the tagline options and the members identified two that fit their utilities the best. Director Elwell suggested the possibility of having a special board meeting to focus specifically on this topic.
- 5.** Director Morley made a motion to accept the minutes of the Special Board of Directors meeting held on July 13, 2022. The motion was seconded by Director Fitzhugh. Motion approved.
- 6.** The General Manager proposed a change to the minutes to record the motion that the discussion regarding negotiations qualified for an Executive session. Director Morley made a motion to accept the minutes of the Special Board of Directors meeting held on July 26, 2022, with the proposed change. The motion was seconded by Director Fitzhugh. Motion approved.
- 7.** Director Elwell made a motion to approve the Monthly Financial report for the period ending June 30, 2022. The motion was seconded by Director Fitzhugh.

The Assistant Controller provided a review of the 2022 operational revenue vs expenses and noted that revenues exceed expenses by approximately \$6K; which is slightly less than the budgeted expectation of \$7K. Non-member revenues are under-budget by approximately \$51K or 17% which is primarily driven by the loss of revenue within the budgeted standard offer projects and is expected to continue to improve now that the Center Road solar project is online. Payroll and overheads are overbudget by 3.19% or approximately \$32K caused by a timing difference between budgeted pay periods and actual. Office supplies and expenses continue to be underbudget.

The motion was approved.

- 8.** The Controller presented various financial policy & signature updates primarily related to adding the Assistant Controller as an authorized signatory. Director Fitzhugh made a motion to approve VPPSA Policies F1- Financial Institution Services Authorization; F1-Financial Institution Services Authorization Attachment 1; F3-Internal Control Policy; and F3-Internal Control Policy Attachment 1, as presented. The motion was seconded by Director Johnstone. A brief discussion and explanation around the changes ensued. Motion approved.
- 9.** The Manager of Information Technology and Security Services and the General Manager provided a several documents for Board Approval regarding the Master Agreement with the members and the contract with Aclara. Director Fitzhugh made a motion to authorize the General Manager to enter a contract with Aclara Systems in substantially the form presented. The motion was seconded by Director Johnstone. Discussion and clarification around the motion ensued. Motion approved.
- 10.** The Controller and the General Manager presented various financing options that were pursued and recommended moving forward with the option that Community Bank offered. Director Fitzhugh made a motion to approve Resolution 2022-6 as presented. The motion was seconded by Director Elwell. Discussion and clarification ensued. Motion approved.
- 11.** The Controller and the General Manager provided an update on the RES compliance obligations and the 2022 billed to budget discrepancies caused by a December 2021 purchase. Discussion ensued around the pricing of REC's and timing for budget setting. Discussion about how the market volatility, limited availability, and private purchases has affected the cost in the current year. Also, with 2021 being a low hydro production year it has caused a higher compliance need than

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originally anticipated. Director Morley made a motion to continue billing the way it has been calculated for the remainder of the year. Director Fitzhugh seconded. Motion approved.

12. The Controller provided an update on the daily operations in Barton. Director Recchia provided an update on the interactions and guidance from the trustees. The Chairman elected to move the remainder of the conversation around the Barton RFP to the end of the agenda to facilitate an executive session if needed.

13. 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. There was a discussion regarding forward prices, existing contracts that are expiring and the 2023 hedging options for coverage moving forward. Discussion and clarification around the four hedging options and recommendations ensued.

Lunch break @ 12:52
Reconvened @ 1:22

14. The written AMI project report was provided to the Board. Ken St. Amour provided an update on additional completed tasks including new cost benefit analysis and the anticipated percentage of project cost covered by the grant for each member. A brief discussion ensued. The General Manager provided a brief overview of the grant process, where VPPSA is at in the process, and the remaining steps to be completed. Ken St. Amour shared the process and timeline for ordering the equipment and starting equipment deployment.

15. The written Legislative & Regulatory report was provided to the Board. Sarah Braese provided a brief update on the upcoming deadlines for comments on various proposed rulings. The ACRE program's initial proposal deadline is August 30th if any members want to submit a proposal. A brief discussion ensued. Julia Leopold provided a brief update on the legislative session and upcoming bills to watch. A brief discussion ensued.

16. The written RES project update was provided to the Board. Julia Leopold provided a brief update on the Tier 3 program. Additional discussion ensued on the residential EV charging pilot and how utilities are handling upgrades to transformers because of the additional load and if it would be possible to create a common method. The General Manager recommended creating a survey for all the members so that we can gather the data and come up with plan for moving forward. Director Johnstone suggested also having guidance to provide to the customers related to possible charges related to the EV charger installation.

17. The written Project 10 construction and overhaul update was provided to the board and no further discussion ensued.

18. The General Managers written report, including updates related to Islesboro, ME and the status of various IRP's was provided to the board and a brief discussion ensued.

19. Board Member Updates: N/A

20. Executive Session:
Director Fitzhugh made a Motion to find 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

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negotiations. The Motion was seconded by Director Johnstone. Motion approved. Director Fitzhugh 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. The motion was seconded by Director Johnstone. Motion approved.

The Board moved into Executive session at 2:22 pm. The Chair and board allowed the VPPSA staff to stay for the ensuing discussion.

The Board returned to Regular Session at 3:12 pm.

Director Johnstone made a motion to authorize the General Manager to submit VPPSA's proposal in response to the Barton Electric Department Operations Service RFP. The motion was seconded by Director Fitzhugh. Motion approved.

Director Fitzhugh noted that VPPSA is taking these steps to support Barton as a member just as each member would do so under mutual aid.

21. Other Business

The meeting was adjourned at 3:13 p.m.

Respectfully submitted,

Grace Sawyer, Assistant Controller