



## Special Board of Directors Meeting Minutes

October 12, 2022

### Board of Directors:

<b>P</b>	Patricia Richards, Barton		Jonathan Elwell, Lyndonville
<b>X</b>	John Dasaro, Enosburg	<b>X</b>	Scott Johnstone, Morrisville
<b>X</b>	Mike Sullivan, Hardwick	<b>X</b>	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	<b>P</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:

Penny Jones, Morrisville (X)	Lynn Paradis, Swanton (P)
Abbey Miller, Enosburg (X)	

### Others present:

Ken Nolan, VPPSA (X)	Alex Nicholson, VPPSA (X)	Amy Parah, VPPSA (X)
Grace Sawyer, VPPSA (X)	Shawn Enterline, VPPSA (X)	
Sarah Braese, VPPSA (X)	Julia Leopold, VPPSA (X)	Crystal Currier, VPPSA (X)
Amanda Simard VPPSA (X)	Ken St. Amour, VPPSA (X)	Abbey Miller, Enosburg (X)
Josh Bancroft, VPPSA (X)	Steve Farman, VPPSA (X)	Dave Gagne, VPPSA (X)
Sen. Alice Nitka, Public (X)	Beth Essary, Hardwick (X)	Bill Humphrey, Public (X)
Orah Moore, Public (X)		

### Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:31 a.m.
- 2.** Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda.
- 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 Petraska made a motion to accept the minutes of the Regular Board of Directors meeting held on September 7, 2022. The motion was seconded by Director Sullivan. Motion approved.

**5.** Director Petraska made a motion to approve the Monthly Financial report for the period ending August 31, 2022. The motion was seconded by Director Sullivan.

The Assistant Controller provided a review of the 2022 operational revenue vs expenses and noted that net income is greater than \$1.6 million, and revenue exceeds budget by almost \$404K or 33%. Conferences, travel, and mileage continue to be significantly below budget (71% or \$52K) this year as staff have slowly begun to attend conferences and training again. Staff will be attending several conferences during the last 4 months of 2022. Payroll and overhead continue to be slightly under budget. Other items of note: We received the VLITE grant of \$81,000 but have not recorded any expenditures yet. REC purchases continue to be under budget by \$13k or 4%. As seen in the financials this month VPPSA has added a new project for the Barton Administration.

The motion was approved.

**6.** The General Manager presented the initial overview of the major drivers for the proposed FY2023 Budget. Various revenue drivers and expense drivers were discussed. Among the drivers addressed were member management contracts; the RES budget and the increasing cost of REC's including the anticipated Tier I shortfall projected; the AMI project along with the deployment of the tranche of members, grant management, the complexity of VPPSA and member funding arrangements; the GIS rollout and additional licensing fees for members to access the web-based maps; Barton & Jacksonville management services; multiple Federal and State grant programs that have match funding and Single Audit requirements; the Operating Budget which includes new staff positions related to these new efforts and for succession planning. Some larger expense drivers are the significant increase in health insurance costs and general inflation. Director Bellevue asked how the management contract expenses were affecting Barton's net income. The General Manager and Director Richards briefly discussed how this was affecting Barton's finances and their work backlog. Director Johnstone asked how the additional management contracts and the grants were affecting the workload of the VPPSA staff and the GM indicated that there were new positions in the Operating Budget to address this. Director Fitzhugh asked how mPower was going to assist with the GIS maps and if there were other programs that could be utilized that were more cost effective. The GM clarified that the short-term project is implementing the maps. The long-term goal is connecting the maps to other data sources and doing analytics. VPPSA is actively analyzing the needs and trying to determine if there is a better tool for this connection. Some members are utilizing mPower for other services already. Director Johnstone asked if the two staff positions that VPPSA is looking to fill would there be additional gaps that will need to be filled in the long term. The GM indicated that he anticipates that the gaps will be short term and in the IT area in particular an additional entry level position may be needed as we move forward. Other options include contracting out some tasks. Additional discussion was held about the external revenue sources and the staff time required to bring the revenue in. Director Richards asked what was driving the cost of the Tier I RECs up so much. The GM clarified what was driving the requirement and cost of the various Tiers in the budget. Director Sullivan asked about having the dissolved gas analysis on the P10 transformer completed for tracking the life of the transformer. Director Johnstone asked if there were any large penalties that VPPSA would have to pay if P10 did not run when drawn upon. There was discussion around how the AMI project budget would work with the grant funding and how it would be allocated to the participating members. Additionally there are several upcoming grants that are being monitored and or funding sought.

**7.** Shawn Enterline, VPPSA's Senior Power Analyst provided an overview of the power supply markets, the primary driving factors related to power costs, actual and future energy prices, and the budget vs actual for each member. Shawn gave a brief update on the Howard Wind contract. Director

## APPROVED

Bellevue asked if there was any update on the possible solar project in Swanton. Heather D'Arcy gave an update on the next steps being taken to analyze this project.

**8.** Ken St. Amour, Manager of Information Technology and Security Services, provided the AMI status update. Ken also indicated that he is starting to do regional meetings at various member sites as the project enters the implementation phase. The AMI project continues forward with Aclara contracts close to being executed. The General Manager gave a brief update on the recent meeting with Commissioner Tierney and the status of AMI funding, loan documents expecting to close in the next month or two, final comments provided to Bill Ellis for member contracts and the PUC filing. Ken St. Amour provided further clarification on next steps.

**9.** Alex Nicholson, VPPSA's GIS Administrator provided an overall GIS program update. Alex also provided an update on the status of each member's project and the anticipated roll-out timeframe of the web mapping application for each member. There was a brief discussion around the future trajectory of the GIS program. Director Fitzhugh gave a brief update on the testing, layers, and work that he was doing utilizing the web map for Northfield.

**10.** Julia Leopold, VPPSA's Director of Public Affairs provided the Legislative update to the Board. The EAN Summit that was held in September provided a preview of hot energy topics for this session. Included but not limited to the following items: Tenant Weatherization Protection, Networked Geothermal, Transportation Cap and Invest, and Community Resilience Hubs.

The written Regulatory report was provided to the Board. Sarah Braese, VPPSA's Manager of Government and Member Relations, provided a brief update on the recently filed comments and the BERAP grant. The PUC issued an Order Requesting Comment on Model in the 20-0203-INV Low-Income Rate Investigation and comments are due October 14, 2022. Director Bellevue asked Sarah to provide more detail about the dam safety ruling. Director Sullivan also provided some additional clarity.

**11.** Julia Leopold, VPPSA's Director of Public Affairs gave a Communications and advertising campaign update. The next campaign will be focused on heat pumps with a goal of increasing link click to heat pump pages. In 2023 we will be starting the year with a campaign about the value of public power utilizing the chosen tagline. To select the chosen tagline VPPSA will be conducting two focus groups of the member Trustees to gain clarity on the direction for the tagline.

**12.** The General Manager congratulated this year's award winners and presented the following awards: Crystal Currier - APPA Mark Crisson Leadership and Managerial Excellence Award; Ken St. Amour - NEPPA Distinguished Service Award; Reginald Beliveau - NEPPA Service Award; William Humphrey - NEPPA Special Recognition Award; Sen. Alice Nitka - NEPPA Special Recognition Award.

Lunch break @ 12:10

Reconvened @ 1:05

**13.** Dave Gagne, the P10 Plant Operator, provided the Project 10 operations update to the board. NERC issued a Cold Weather Alert that required some minor modifications to the control system. Dave is also working with ISO NE on the winter readiness program. There was a brief discussion around the oil testing process. The GM let the board know that we have been covering for BED's outage the last couple of months. Also, power supply only bid one unit into the winter reserve market to allow greater flexibility in using P10 for an energy hedge.

## APPROVED

**14.** The General Manager provided a brief update related to Islesboro, ME; Jacksonville; and NEPPA. Ken St. Amour provided an update on the VPPSA Cyber Security grant & upcoming audits and testing. The General Manager provided an update on the Technology Roadmap following the audits including a centralized CIS program and possible future federal grant funding.

**15.** The General Manager provided a brief Barton status update. VPPSA reached an agreement on the long-term contract with Barton's consultant, Patty Richards, and the draft agreement is now being reviewed by the Barton Trustees. Hardwick chose to drop from the on-call rotation due to an IBEW union issue and Orleans has picked up a second week. Once the final contract is executed the schedule will be open for negotiation discussions with Northline. Weekly status calls continue to be held to work through any issues that arise. Director Richards emphasized that the reason the contract wasn't approved on Monday was due to there not being a quorum at the meeting.

**16.** Board Member Updates: Director Johnstone asked if any of the other members have had a re-evaluation by Purma. Morrisville has had a large increase in the valuation and was looking for comparison as a basis for appeal. Director Sullivan gave an update on the Winter Readiness Program and mentioned that some marketing might be beneficial in targeting load reduction in an emergency situation.

**17.** Executive Session:

Director Fitzhugh made a motion to enter Executive Session to discuss personnel issues as allowed under the provisions of 1 V.S.A. §313(a)(3). The motion was seconded by Director Petraska. Motion approved.

The Board moved into Executive session at 1:44 pm.

The Board returned to Regular Session at 2:30 pm.

**18.** Other Business: NONE

The meeting was adjourned at 2:32 p.m.

Respectfully submitted,

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Grace Sawyer, Assistant Controller