

Minutes:

Stowe Electric Commissioners' Meeting:

March 29, 2023, at 8:30 am at Town of Stowe Electric Department Conference Room with remote participation available via Zoom.

Present:

BOARD MEMBERS: Larry Lackey, Chair; Heidi Scheuermann, Vice-Chair and Sara Teachout, Commissioner

STAFF: Jackie Pratt, General Manager, Brent Lilley, Director of Operations; Sarah Juzek, Controller; Michael Lazorchak, Manager of Regulatory Compliance; Amber Ives, Clerk of the Board

GUESTS PRESENT: Gregory Morrill; Margaret Scotti

GUESTS PRESENT VIA ZOOM: RJ Thompson; Carolyn Lawrence

Call to Order: L. Lackey called the meeting to order at 8:34 am.

Agenda Approval:

All were in favor of the warned agenda, and it was approved.

Approval of February 22, 2023, Meeting Minutes:

On a motion made by H. Scheuermann and seconded by S. Teachout, the minutes of February 22nd were approved.

Financial Reports:

S. Juzek reported that Stowe Electric Department (SED) ended the fiscal month of January with a net income of \$397,600, which is \$46,683 less than the fiscal year 2023 budget of \$444,283. Operating revenue overall was \$57,000 unfavorable to the budget with Commercial sales making up most of the loss at \$44,000 short of the budget.

S. Juzek informed the Board that Operating expenses overall were \$5,000 favorable to the budget and that Non-Operating Revenue and Expenses overall were \$6,000 favorable to the budget.

L. Lackey inquired as to the general outlook for purchase power expenses and how these expenses related to the rate case filed with the Public Utility Commission (PUC). S. Juzek explained that the purchase power expenses decreased due to natural gas prices coming down due to January and February being the warmest months on record since 1895. S. Juzek reported that SED filed the discovery to the PUC last week and that SED was waiting to see how the PUC factored in the reduction in purchase power expenses to the rate request. J. Pratt reiterated that SED requested a rate increase to adequately cover costs, not to make a profit, and that SED staff would keep the Board informed about the PUC's response and the next steps needed by SED.

New Website:

J. Pratt developed a new SED website to provide a more modern and mobile-friendly web interface for customers. The new platform also provides SED staff with the ability to be more innovative in how material is presented, as well as greater flexibility to update the site and manage the content.

In addition, J. Pratt explained that the new website would be beneficial as SED pursues funding for the Moscow Mills Revitalization project as it allows customers, Federal and State agencies, parties of interest, etc. with an easy to discover source for all information related to the project.

J. Pratt apprised the Board that the new website is slated to launch in early April.

Customer Survey:

J. Pratt informed the Board that SED has hired Great Blue Research to conduct a customer survey on behalf of the utility. Great Blue has more than 25 years' experience working with public power utilities throughout New England and across the country and works closely with the American Public Power Association (APPA) on their quarterly surveys.

J. Pratt advised the Board that SED's survey will benchmark customer sentiment regarding a variety of topics including utility performance, customer service, efficiency, and electrification programs, etc. SED will also capture information that will be vital to overall system planning, including electric vehicle (EV) and heat pump adoption, statistics on primary and secondary residences as well as short-term rental uses, and other key information that will be pertinent to understanding potential future system uses and needs.

J. Pratt notified the Board that the data gathered will be used internally and in SED's updated 2023 Integrated Resources Plan (IRP), which will be filed with the state later this year.

J. Pratt explained that the survey would be conducted online, and that SED would facilitate participation in the survey by utilizing several channels: posting a message on customer bills and the SED website, sending a direct link to the survey via email, announcing the survey in the Stowe Reporter and Front Porch Forum, as well as utilizing social media.

S. Teachout expressed concern that the survey would only be conducted online, as SED could potentially miss out on responses from a generation of customers. J. Pratt assured the Board that from her previous experience with Great Blue Research, the online survey was well received by all demographics, especially as a lot of people have switched from landlines to cell phones and therefore are not necessarily answering the phone if they do not recognize the caller's number.

L. Lackey inquired as to whether the survey would be conducted periodically. J. Pratt responded that SED hoped to replicate the survey every three years in cadence with the IRP and that the data collected would allow SED to measure progress in performance over time, monitor changing customer opinions on topics important to strategic planning and industry trends, as well as allow SED to benchmark against survey data from other utilities.

General Manager Highlights:

J. Pratt notified the Board that President Biden officially declared Winter Storm Elliott a disaster, and therefore SED will be eligible for reimbursement of some costs related to the storm. Details on eligibility and possible funding amounts will be relayed to the Commission as SED is provided with more information on the process.

J. Pratt informed the Board that she and M. Lazorchak attended the APPA Legislative Rally in Washington, DC and that meetings were held with various Department of Energy (DOE) divisions, the National Hydro Association and Representative Balint's office. J. Pratt reported that SED's attendance at the rally has proven valuable and that the connections made have been fruitful as both the DOE and Representative Balint's office have reached out with information about funding opportunities for various projects.

J. Pratt reported that P. Waugh coordinated Northeast Public Power Association (NEPPA) mutual aid requests for northern New England for the mid-March storm that impacted the region. As SED experienced only minor outages that could be restored quickly, SED provided mutual aid to Washington Electric Cooperative and Green Mountain Power.

J. Pratt apprised the Board that SED continues to pursue Consolidated Communications, Inc. (CCI) pole purchases and that SED staff have been in touch with the state Public Service Department in order to help facilitate this purchase.

J. Pratt updated the Board on SED's in-house Tree Crew and advised them that Working Foreperson, P. Richardson, joined the SED team at the end of March. J. Pratt advised that P. Richardson plays an important role in getting this new unit up and running and has been active in procuring necessary equipment, as well as participating in the interview process for the climber and laborer positions.

The Board was informed that a formal employee performance review process was established by J. Pratt and P. Waugh. J. Pratt notified the Board that the process was currently underway and would be wrapping up next week. J. Pratt advised that although the employee reviews do not impact salary adjustments for the Union staff, the intent is to benchmark performance to monitor year-over-year progress while setting clear expectations for employees. J. Pratt stated that the performance review presented a good opportunity for employees and supervisors to check in on goals, performance, and overall employee development.

J. Pratt informed the Board that the Department of Public Service is seeking input from the utilities on a grant application to the Department of Energy focused on battery storage sited along the Vermont Electric Power Company (VELCO) and Sheffield-Highgate Export Interface (SHEI) corridors, and within each distribution utility (DU) territory. M. Lazorchak and J. Pratt explained that the project was still in a proposal phase, but, if the project goes through, SED will potentially own a share of VELCO's battery regardless of location.

Project Updates:

J. Pratt informed the Commission that equipment has been ordered for the Wilkins Substation Upgrade and that VELCO has given SED permission to temporarily store the transformers that are currently being stored in the Wilkins substation within the VELCO substation fence. J. Pratt reiterated that this would be a temporary solution that allows SED to begin work on the Wilkins substation while waiting for the Cady Hill storage building to be constructed.

J. Pratt notified the Board that Mumley Engineering had completed the site design for the building and that the vegetation plan was under review by VELCO as the original Certificate of Public Good (CPG) for the VELCO substation included vegetative screening. J. Pratt stated that SED is working with VELCO to ensure that SED's use of the parcel and existing berm still provides vegetative screening as required by the CPG for the VELCO substation.

J. Pratt shared a 3D rendering of the storage building for the Board to better understand what the building and vegetation would look like once constructed. J. Pratt reiterated that SED is trying to disturb the berm as little as possible and along with the existing

trees, elevation of the land, and modified location of the building, the storage barn is well tucked away on the parcel.

L. Lackey inquired as to the location of the gate for the road. J. Pratt informed the Board that the gate is really to keep out vehicle traffic and that recreationists will still be able to come through on foot or bicycles to access the trail system. J. Pratt said that the existing gate would be moved up slightly, and that it would leave parking available for recreational use as SED recognizes the importance of outdoor recreation both to the Stowe community and economic development of the area.

The Commission and staff discussed material options for the storage barn and the pros and cons to each. J. Pratt suggested that the siding options be readdressed once SED had samples available for the Commission to view.

Executive Director of Stowe Trails Partnership, C. Lawrence, thanked SED for acknowledging the recreational asset of Cady Hill and the importance of maintaining the parking area for the community. C. Lawrence stated that she was grateful to SED for saving some parking spots and inquired as to how many cars could fit in that space. J. Pratt responded that four or five cars could probably fit in that area.

C. Lawrence confirmed with J. Pratt that VELCO was not interested in pursuing a formal parking agreement. J. Pratt stated that currently VELCO was going to continue to just let the parking continue as it is currently going on, and in the instance where problems developed, VELCO would readdress the situation.

J. Pratt updated the Board on SED's assessment of Cady Hill traffic impacts, and that B. Lilley anticipates use of the Cady Hill barn by SED staff to be less impactful than new residential construction or an Airbnb. J. Pratt informed the Commission that currently SED utilizes a pickup truck to visit the Wilkins substation on the 1st of each month to read, record and inspect substation equipment. This is an existing trip that already occurs and therefore, it will not have additional impact. J. Pratt stated that there will also be no increased trips due to either transformers or deliveries, as transformers are currently stored at the Wilkins substation and materials will continue to be delivered to Moscow Rd. J. Pratt informed the Board that new impact, an anticipated two trips per week in a pickup truck, would be from trips to the Cady Hill barn for wire and trailers-items that are currently stored in other locations. J. Pratt stated that SED feels from a traffic perspective that the net impacts of regular anticipated trips are negligible and that there is a benefit to the community to have the materials stored in a safe location.

R. Thompson asked how much exterior lighting the storage barn will have and asked that the schematics call out the lighting's placement. J. Pratt responded that the lighting scheme will be required for SED's application to the Development Review Board (DRB) and that the intent is to have motion sensor, directional lighting as the intent is to reduce the impact to the neighbors.

R. Thompson requested a revised site plan for the building and J. Pratt informed him that the site plan had not changed since the last meeting.

R. Thompson stated that he appreciated what SED has done to alleviate some of the concerns of the neighbors and that he was pleased to see the progress that has been made but suggested that it would be helpful for the neighbors to secure a commitment from SED that no further development will take place on the Cady Hill parcel. J. Pratt replied that SED cannot make any assurance that years from now, SED will never need to do something else with the parcel. J. Pratt explained that SED does not have anything specifically additional planned for this parcel as that is not the intent at this time, but that J. Pratt does not feel that it is in the best interest of ratepayers and the utility to make a commitment today regarding future use.

L. Lackey agreed with J. Pratt and stated that it would be very unusual for any applicant to the DRB to make a forever commitment to restricting the use of their land. L. Lackey stated that SED has an obligation to serve the public and while SED needs to be good neighbors, SED also must balance that against the obligation to serve the community with a critical service.

S. Teachout asked if there would be fencing for the building. J. Pratt responded that there would be no fencing around the building, the only fence would be the existing fence and gate that blocks vehicle traffic and that the pre-existing fencing around the substations would remain.

At 9:25 am, guests G. Morril and M. Scotti exit the meeting.

At 9:27 am, guests R. Thompson and C. Lawrence left the meeting via Zoom.

J. Pratt informed the Commission that SED has begun the onboarding process for the new National Information Solutions Cooperative (NISC) enterprise system and that NISC was on-site for a week to go over key processes and inputs for integration of the financial applications. J. Pratt reported that the integration of financials is ongoing, and data is being migrated from our existing enterprise system(s) and other internal data sources. J. Pratt explained that there are two threads to onboarding with NISC- finance and service. SED hoped to go live with financials on June 19th but pushed it back to July to ensure everything is ready for the financial launch. J. Pratt reported that onboarding for service integration is also underway and right now, SED is targeting the first week of October for launch of the service applications.

J. Pratt reported that the onboarding has been going well and that K. Stevens has taken on a lot of work with this project, but SED staff feels that the NISC enterprise system will be a game changer. J. Pratt explained that the new enterprise system will bring a lot of new functionality and maybe some new responsibilities, but she feels that it will alleviate a lot of the manual stuff that SED is currently doing, so it should help free up staff time to take on additional projects, roles, and responsibilities.

L. Lackey recalled that staff had informed the Commission on how labor intensive the net metering billing calculations are and asked if the new enterprise system would alleviate any of that work. J. Pratt explained that it would, that other VT utilities were very happy with NISC's net metering service and that NISC has Vermont specialists who will ensure that SED is meeting the PUC's rules.

J. Pratt informed the Commission that the Northern Border Regional Commission (NBRC) is making available \$1 to \$3 million in grant funds for renewable energy projects to be competitively awarded through the Catalyst Program and that NBRC requires a resolution from the Board of Commissioners to submit a full application for funding. J. Pratt requested a letter of support for the 2023 round of grant funding from the Commissioners.

H. Scheuermann made a motion for the Commission to approve both the Northern Border Regional Commission letter of support and the resolution that authorizes General Manager, J. Pratt, to act on behalf of Stowe Electric Department and sign any and all documents related to the Northern Border Regional Commission grant. The motion was seconded by S. Teachout and unanimously approved.

L. Lackey noted that SED had received an Equitable Cities place-based decision-making grant and asked SED staff for more details. J. Pratt responded that this grant will be helpful in determining the potential recreational uses of the parcel and M. Lazorchak expounded that this grant provides opportunity for a feasibility study and to explore how SED's parcel fits into the broader whole of the community. L. Lackey expressed that he sees the potential for public access to the parcel and the area around the dam as a really nice amenity for the community. J. Pratt agreed and expressed that SED was trying to be comprehensive in outreach efforts and involving the community in the project, while exploring all potential funding opportunities.

The SED Board and staff toured the Seaver Sawmill and historic office building. The history of the buildings, plans for future use, potential designs, and placement of equipment were discussed.

Other Business:

The date of the April Commissioners' meeting was changed from April 19, 2023, at 8:30 a.m. to April 21, 2023, at 8:30 a.m.

J. Pratt reported that SED was actively working to connect with other utilities in the area in order to look for ways to collaborate, as well as join in on mutual projects to reduce costs overall.

Pratt told the Commissioners there were two open seats on the Northeast Public Power Board, and J. Pratt indicated she would like to run for one of the seats if the SED

Commissioners had no objections. The Board posed no protests and encouraged J. Pratt to run.

S. Teachout made a motion to modify the payment distribution of Paid Time Off (PTO) funds owed to previous General Manager, E. Burt, by changing the remaining payments from bi-weekly to a single lump-sum payment. The motion was seconded by L. Lackey and approved.

There being no further business, the meeting was adjourned at 10:30 am.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Amber Ives', with a long horizontal flourish extending to the right.

Amber Ives

Clerk of the Board