

Minutes:

Stowe Electric Commissioners' Meeting:

February 22, 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; Kevin Stevens, IT Administrator; Amber Ives, Clerk of the Board

GUESTS PRESENT: Gregory Morrill; Gregory Kiefer; Margaret Scotti; Tim Bartholomew

GUESTS PRESENT VIA ZOOM: Grady Vigneau; RJ Thompson; Mike Waldert; Leslie Gauff; Lucy Nersesian; E. de Brabant

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

Agenda Approval:

H. Scheuermann moved to modify the warned agenda by removing 'review and approve: Bank Forms' from the agenda, while adding 'approve meeting minutes of January 25, 2023, as the second item of discussion. S. Teachout seconded the motion, and it was unanimously approved.

Approval of January 25, 2023, Meeting Minutes:

On a motion made by S. Teachout and seconded by L. Lackey, the minutes of January 25, 2023, were approved.

Cady Hill Storage Building:

J. Pratt recapped the work that had been done by Stowe Electric Department (SED) since the previous Board Meeting regarding the Cady Hill Storage building site. J. Pratt noted that after doing a site visit with the civil engineer and the architect, SED decided to shift the proposed building a little bit further North to retain more of the existing berm.

J. Pratt reported that SED's revised building location will allow for approximately 6 parking spots on Vermont Electric Power Company, Inc. (VELCO) property and that no formal agreement currently exists between VELCO and any entity or individual for parking rights. J. Pratt noted that there is an easement for pedestrian access to the Cady Hill trailhead via the VELCO parcel and that VELCO prefers to continue with informal parking at this location unless problems arise, at which time the arrangement will be reevaluated.

L. Lackey asked if Stowe Trails Partnership understood the change in the parking. J. Pratt responded that SED had met with Executive Director, C. Lawrence, and that Stowe Trails main concern was continued access to Cady Hill Forest and upon discussion, Stowe Trails Partnership was fine with the parking adjustment.

J. Pratt shared site location maps and some design options with the Commission. J. Pratt reiterated that SED is not trying to throw up an industrial style building on the Cady Hill parcel and that SED is working hard to ensure that the storage building is unobtrusive and that it blends in with the surroundings.

SED staff and the Commissioners discussed the assorted designs, interior layout, cost estimates, size of the building and preparing for future needs.

H. Scheuermann questioned the proposed length of the building as she noticed that it had been changed from 100 feet in length in the original proposal to 120 feet in length. J. Pratt responded that with the location change of the building, there is significantly less sitework that needs to be done and the cost savings allow SED to potentially add an additional 20 feet to the storage facility. J. Pratt expressed that SED is trying to plan for the future and ensure that there is enough room in the storage facility to meet SED's current needs, but also to have a little room for growth as Stowe is continuously expanding.

L. Lackey asked J. Pratt to explain the next steps for the Cady Hill storage building. J. Pratt said that SED needs to get some additional design drawings that show a 360-degree view for the Commission and from there, a design must be chosen to get an estimate for the building. Once the design is finalized, SED will file with the Development Review Board (DRB). M. Lazorchak informed the Board that time was of the essence in deciding on the design as the lead time to get on the DRB's agenda is significant.

At approximately 8:55 am, L. Lackey opened the meeting to public comment.

M. Scotti stated that she felt the presented designs looked nice, but wanted to ensure that SED understood that there were additional, undefined access points to Cady Hill Forest along the road beyond the substation, and that there is concern with bikers being hurt as they are moving quite fast down Cady Hill from further up the road.

L. Lackey noted that after the January Commissioners' Meeting, he suggested to J. Pratt that perhaps the Highway Department could install signs along the road to alert vehicles that they are approaching a blind curve. J. Pratt responded that SED would work with the Town to get some signage placed.

T. Bartholomew requested a drawing that represented the view of the storage building from River Road as that is where the contention has always been. In addition, T. Bartholomew expressed concern over the spill ponds, the berm and its' potential removal, and the height of the storage building.

J. Pratt explained these concerns would be addressed at the DRB meeting once the final design was chosen.

T. Bartholomew asked if the poles being stored at the Dump Road location will be moved to Cady Hill. J. Pratt responded that the poles would stay at the Dump Road facility, but the rest of the materials will be moved to the Cady Hill storage building. T. Bartholomew expressed concern at the storage barn becoming a "dump-all" and inquired if J. Pratt would be willing to publicly state at the DRB meeting that no materials will be stored outside around the Cady Hill storage building. J. Pratt stated that the intent is to have all materials stored inside the building and that SED may have a trailer or something like that parked outside occasionally, but the goal is to get all materials inside, under cover.

G. Morrill referenced the previous Board meeting at which the need for a temporary storage area for the transformers was discussed and inquired as to where exactly that location would be. J. Pratt thanked G. Morrill for bringing this item up and informed the Commissioners that she felt VELCO would allow SED to temporarily house the transformers in an alternate location so that a temporary fence would not need to be erected on the lower portion of the parcel owned by SED. J. Pratt reported that this would allow SED to proceed with the Wilkins upgrade if SED is unable to complete the storage building in alignment with the Wilkins project schedule.

R. Thompson referenced the December meeting during which alternative locations were discussed, and J. Pratt mentioned not wanting to build the storage facility on or adjacent to recreational fields. R. Thompson noted that some members of Stowe Trails Partnership (STP) were currently participating via Zoom and informed the Board that over 37,000 riders utilized the Florence Trail in Cady Hill Forest in 2022, and that number reflects only the use of one trail which has access at the trailhead by the Substation.

J. Pratt assured R. Thompson that she understood the point he was making regarding the large recreational use of the area but voiced that the concern is over active recreation versus passive recreation. J. Pratt explained that she felt the trail system at Cady Hill was passive recreation as participants are passing through- they are not sitting and staying while watching a game with spectators and a bunch of people

spending time together. J. Pratt reiterated that she felt active versus passive recreation was the key difference and that the construction of the facility adjacent to the substations helps to add an additional layer of security as it gives the impression of an active presence in the area.

R. Thompson expressed appreciation that SED will continue to allow access to the trail system but stated the real concern is safety on Cady Hill Road. R. Thompson stated that both Cady Hill Road and River Road are in horrible shape, and asked for an estimate of the number of trucks that are going to be traveling on Cady Hill Rd.

B. Lilley responded that it would be hard saying how many times SED trucks would be traveling Cady Hill Rd as it will depend on varying factors such as outages and materials needed for projects. J. Pratt stated that the intent of SED would be to keep the most frequently used materials stored at the Moscow Rd garage so that the number of trips to the Cady Hill facility would be limited. L. Lackey voiced that it would be in SED's best interest to not make excessive trips up Cady Hill and reiterated that SED is not looking to add undue traffic on the road.

R. Thompson expressed that it would be helpful to the Cady Hill neighbors for SED to produce some safe estimates as to anticipated trips and to provide the neighbors with a range as it is problematic to hear that the number of trips to the storage facility will depend on varying factors.

E. de Brabant shared that her house vibrates when heavy trucks travel the road and seconded R. Thompson's request for an estimate on the frequency of traffic.

L. Lackey noted that it also could not be estimated as to how many recreators are going to utilize Cady Hill Road on any particular day either as it depends on a lot of factors and that SED should not be offering up any limit on the frequency or number of trips.

H. Scheuermann stated that she didn't feel the request for an estimate on anticipated trips was unreasonable and that it was probably something that the DRB would want to know. H. Scheuermann voiced that organizations have these kinds of numbers, and that SED should be able to provide an estimate as to what the traffic might be as she felt it may be beneficial to SED to prove that Cady Hill is not going to be a consistent freeway of large trucks and constant traffic. In addition, H. Scheuermann added that she agreed with L. Lackey as she thought it would be a mistake for SED to agree to any kind of limit on the frequency of traffic.

J. Pratt stated that SED staff would work to provide additional information on traffic, and reminded the Commission that it is not always going to be a big bucket truck that is traveling Cady Hill Road as SED may utilize a pickup truck to gather materials as well.

S. Teachout suggested to SED staff that when they compile the traffic information that they specify weekday versus weekend trips as the weekend probably tends to be heavier with recreation traffic. J. Pratt responded that SED would predominantly utilize

the Cady Hill Road Monday through Friday and that the weekend traffic would occur only during an outage or when SED needed to plow.

L. Lackey inquired as to what the next steps of the project entail. J. Pratt responded that SED needs to get 360-degree design drawings, finalize site information, follow up on the ponds that were mentioned by T. Bartholomew and confirm the Commissioners' design preference. Once the final design is chosen, SED will submit the application to the DRB and link to the documents on SED's website to make the information easy to find.

At 9:18 am, guests G. Morrill, G. Kiefer, M. Scotti, T. Bartholomew, L. Nersesian and E. de Brabant left the meeting.

Capital Plan, Debt Ratio and Cash Flow:

L. Lackey thanked S. Juzek for developing the financial model and noted that it was easy to follow and comprehensive.

L. Lackey asked whether the Commissioners needed to approve the capital plan in detail, as there are many projects listed that the Commissioners do not know much about other than the one-line description in the plan. L. Lackey noted that the Commissioners may want more details on some of those projects prior to approving funding.

J. Pratt responded that it was a good question and that by approving the capital plan the Commissioners were not necessarily approving every particular item of the plan but approving the general budget for the next five years. J. Pratt suggested moving to presenting the Commission with an overall plan of what SED intends to work on over the next few years, but then getting a capital budget approved yearly for the discrete projects that SED plans to work on within the next twelve months.

The Commissioners were amenable to J. Pratt's suggestion and really liked the idea of having both a capital plan that would be reviewed annually, along with a yearly capital budget. The Commissioners and SED staff further discussed debt ratio, rate forecasting, cash flow and development of the capital budget.

H. Scheuermann moved to approve the Capital Plan for calendar years 2023 through 2027 in the version that was presented to the Commission on February 22, 2023. The motion was seconded by L. Lackey and approved.

At 9:29 am, guest M. Waldert left the meeting via Zoom.

At 9:30 am, guest R. Thompson left the meeting via Zoom.

December Financials:

S. Juzek reported that according to SED's procurement policy, any purchase over \$50 k would need to go to a formal bid process unless there is an approved motion for sole-source procurement. S. Juzek informed the Board that SED has been actively looking for a bucket truck and chipper to no avail as anything that comes on the market is quickly purchased. S. Juzek explained that due to this, SED most likely won't be able to go through the formal bid process and that SED is asking the Commission to make a motion to approve sole-source procurement for a bucket truck and chipper for the tree trimming crew.

L. Lackey asked for clarification on what it means to do a sole-source procurement. J. Pratt informed the Commission that the way the procurement policy is currently written, expenditures over \$50,000, unless they are coming from the state bid list, need to go to bid. J. Pratt apprised the Board that there are some exceptions for that policy and one of them allows the Commission to give SED permission to go to a sole-source supplier because SED is looking for a used bucket truck. J. Pratt explained that it is extremely difficult to bid on a used bucket truck right now because as soon as one becomes available, someone buys it. J. Pratt told the Board that in this instance, SED does not yet know who the sole-source would be, but SED wants approval for sole-source procurement so that as soon as a truck becomes available, SED can purchase it.

S. Teachout moved to authorize Stowe Electric Department to utilize a sole-source procurement process for the purchase of a tree trimming bucket truck. H. Scheuermann seconded the motion, and it was unanimously approved.

At 9:37 am, G. Vigneau left the meeting via Zoom.

SED staff and the Commission discussed the loan process and the budget for the purchase of the used bucket truck and chipper.

H. Scheuermann made a motion to approve financing the tree trimming bucket truck and chipper through a loan up to \$250,000. The motion was seconded by S. Teachout and unanimously approved.

At 9:43 am, guest L. Gauff left the meeting via Zoom.

S. Juzek discussed SED's financials and highlighted key revenue and expenses. SED staff also discussed the Winter Storm Elliott financials and Federal Emergency Management Agency (FEMA) process.

Diversity, Equity & Inclusion/Environmental Justice Resolution:

J. Pratt explained that the Diversity, Equity & Inclusion (DEI) Resolution is relating to SED’s workforce, while the Environmental Justice Resolution is oriented toward customers and opportunity equity for the community. J. Pratt informed the Board that Environmental Justice is a hot topic in the utility industry, and it affects a lot of the grant opportunities that are available from the federal government. J. Pratt presented the Commission with the following DEI resolution:

Town of Stowe Electric Department Diversity, Equity, and Inclusion Resolution

Vermont’s communities become more diverse every day. As part of this growth, municipalities around the state and the country are recognizing the need to prioritize equity and social justice. Already, dozens of Vermont’s communities have taken steps to be more inclusive. The Town of Stowe, Vermont issued the following Declaration of Inclusion on April 11, 2022:

The Town of Stowe welcomes all persons, regardless of race, color, religion, national origin, sex, gender identity or expression, family status, age, or ability, and wants everyone to feel safe and welcome in our community. As a town, we formally condemn discrimination in all its forms, commit to fair and equal treatment of everyone in our community, and will strive to ensure all of our actions, policies, and operating procedures reflect this commitment. The Town of Stowe has and will continue to be a place where individuals can live freely and express their opinion.

Stowe Electric Department’s role as a community leader is built on our commitment to working cooperatively with diverse stakeholder groups for the overall benefit of our customers and the community. We seek to have a positive economic, social, and environmental impact on our community through good citizenship and equitable access to programs for all customers. It is essential to the success of Stowe Electric Department that all members of the community are able to access equitable treatment, opportunities, and resources with dignity and respect.

As an energy utility, we take our responsibility to facilitate a safe and diverse workplace for all segments of society very seriously. A diverse, inclusive, and equitable workplace is one where all employees and participants, whatever their gender, race, ethnicity, national origin, age, sexual orientation or identity, education or disability, feel valued and respected.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Stowe Electric Department supports the Federal Government’s sentiment that, “affirmatively advancing equity, civil rights, racial justice, and equal opportunity is the responsibility of the whole of our Government,” and intends to do its part to fight systemic injustice as a municipal entity, and;

BE IT FURTHER RESOLVED, that the Town of Stowe Electric Department is committed to a nondiscriminatory approach and providing equal opportunity for employment and advancement in all our departments, programs, and worksites. We respect and value a workforce where employees of all backgrounds, identities, and abilities can contribute to achieving diversity, equity, and inclusion, and ensuring all voices are valued and heard.

S. Teachout made a motion for Stowe Electric Department to adopt the presented Diversity, Equity, and Inclusion Resolution with the following changes: exclude the second-to-last paragraph and change the final paragraph to start with “Now, Therefore, be it resolved”. The motion was seconded by H. Scheuermann and unanimously approved.

J. Pratt explained to the Commission that the Environmental Justice Resolution is intended to make clear to the community that SED is working hard to provide incentives and programs that are equitably accessible to traditionally underserved segments of the population.

L. Lackey inquired as to what SED would need to do that it is not doing already, or perhaps be required to do to fully implement the Environmental Justice Resolution. J. Pratt discussed the Public Utility Commission (PUC) requirements and ideas for rebates and programs that help these traditionally underserved customers find ways to lower their energy burden and improve comfort levels. J. Pratt presented the Commission with the following Environmental Justice Resolution:

Town of Stowe Electric Department Environmental Justice Resolution

Environmental Justice (EJ) is based on the principle that all people have a right to be protected from environmental hazards and to live in and enjoy a clean, resilient, and healthful environment. EJ is the equal protection and meaningful involvement of all people with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies and the equitable distribution of environmental benefits.

Vermont’s communities become more diverse every day. As part of this growth, municipalities around the state and the country are recognizing the need to prioritize equity and social justice. Already, dozens of Vermont’s communities have taken steps to be more inclusive. The Town of Stowe, Vermont issued the following Declaration of Inclusion on April 11, 2022:

The Town of Stowe welcomes all persons, regardless of race, color, religion, national origin, sex, gender identity or expression, family status, age, or ability, and wants everyone to feel safe and welcome in our community. As a town, we formally condemn discrimination in all its forms, commit to fair and equal treatment of everyone in our community, and will strive to ensure all of our actions, policies, and operating

procedures reflect this commitment. The Town of Stowe has and will continue to be a place where individuals can live freely and express their opinion.

At the state level, Act No. 154 was signed into law by Governor Scott on May 31, 2022, establishing an Environmental Justice policy for the State of Vermont. The act requires State agencies to incorporate Environmental Justice into their work, rules, and procedures. It establishes the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee to advise the State on Environmental Justice issues. It also requires the creation of an Environmental Justice mapping tool.

The Federal government is also working to define Environmental Justice and establish strategies to address EJ issues nationwide. Executive Order 12898 directed Federal agencies to develop Environmental Justice strategies to help address disproportionately high and adverse human health or environmental effects of their programs on minority and low-income populations. For the first time in our nation's history, the Federal Government has made it a goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. President Biden made this historic commitment when he signed Executive Order 14008.

Stowe Electric Department's role as a community leader is built on our commitment to working cooperatively with diverse stakeholder groups for the overall benefit of our customers and the community. We seek to have a positive economic, social, and environmental impact on our community through good citizenship and equitable access to programs for all customers. SED recognizes that low-income and minority customers, two groups who have historically borne disproportionate environmental impacts, reside in our service territory, despite populations not being concentrated enough to trigger designation under the Federal government's metrics for identifying Environmental Justice census block groups.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Stowe Electric Department supports local, state, and Federal efforts to address Environmental Justice concerns in designated Environmental Justice communities, and;

BE IT FURTHER RESOLVED, that the Town of Stowe Electric Department is committed to examining ways to improve access to information, programs, and incentives for all of its ratepayers, including its underserved communities, as part of its mission to provide safe, reliable, efficient, resilient electric service to all customers.

H. Scheuermann moved to accept the Environmental Justice Resolution as presented.
S. Teachout seconded the motion, and it was approved.

Moscow Mills Revitalization:

J. Pratt informed the Commission that Stowe Electric will be issuing a Request for Proposal (RFP) for a variety of projects related to the revitalization of SED's Moscow Mills campus sometime in March and this RFP will provide SED with more accurate estimates for the work required and would aid SED when applying for grant opportunities. J. Pratt assured the Commission that issuance of an RFP does not obligate SED to complete any of the work proposed, and any expenditures for distinct phases of the project would be made in alignment with the 5-year capital plan as approved by the Commission.

J. Pratt discussed various aspects of the project: restoring and stabilizing Smith Falls Dam, modernizing the hydropower, historic restoration and adaptive reuse of the 1822 Seaver Sawmill, installing solar panels on the garage, and restoring the historically listed second office for both SED and community use.

General Manager Highlights:

J. Pratt discussed SED's successful conversion to a new phone system, the initial integration process to National Information Solutions Cooperative (NISC), FEMA reimbursement for Winter Storm Elliott, University of Vermont partnerships and projects, and grant opportunities. J. Pratt also updated the Board on the interview and hiring process for the in-house tree crew and lineman positions.

Other Business:

L. Lackey requested that the Commissioners receive Stowe Electric email addresses for communication between SED staff and the Board. H. Scheuermann and S. Teachout seconded this request, and it was agreed that the details of using a Stowe Electric domain email would be discussed at the next meeting.

J. Pratt requested that the date of the March Board meeting be moved from the scheduled date of March 22nd to March 29th due to schedule conflicts with NISC financial on-boarding.

S. Teachout made a motion to change the Stowe Electric Commission Meeting from March 22, 2023, at 8:30 am to March 29, 2023, at 8:30 am. The motion was seconded by H. Scheuermann and unanimously approved.

J. Pratt informed the Commission that SED is working with GreatBlue Research, Inc. to conduct a customer survey which would help inform SED's Integrated Resources Plan that is due later this year. J. Pratt apprised the Commission that once the survey instrument was finalized, she would share it with them.

There being no further business, the Commission voted to adjourn the meeting at 10:20 am.

Respectfully Submitted,

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long horizontal line.

Amber Ives

Clerk of the Board