

Minutes:

Stowe Electric Commissioners' Meeting:

January 25, 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 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; Lois Kiefer; Gregory Kiefer; Margaret Scotti; Timothy Bartholomew

GUESTS PRESENT VIA ZOOM: Pete Heintzelman; Carrie Heintzelman; E de Brabant; "Your Name;" Brad Bechtel; RJ Thompson

Call to Order: L. Lackey called the meeting to order at 8:30 am and noted that Vice-Chair, H. Scheuermann, was not present.

Agenda Approval:

S. Teachout moved to modify the warned agenda by moving the Cady Hill Storage Discussion to the third item of business and adding November Financials as the fourth item of business. L. Lackey seconded the motion, and it was approved.

Approval December 7, 2022, Meeting Minutes:

On a motion made by S. Teachout and seconded by L. Lackey, the minutes of December 7th were approved.

Cady Hill Storage Facility:

L. Lackey reminded participants that the Board Meeting is public and asked that participants be recognized prior to speaking and address all comments to L. Lackey to ensure that everyone can speak.

J. Pratt explained that following the December 7, 2022, Commission meeting, Stowe Electric Department's (SED) staff looked at additional parcels for possible construction of a storage building. The main parcel recommended at the December meeting was the Town's old "stump dump" on Adams Mill Rd. SED found that the "Stump Dump" parcel presents multiple challenges, including conservation easements, access to an existing trail system, significant site mitigation due to the historic use of the property, as well as costly upgrades needed to the road infrastructure to accommodate use and access by SED vehicles.

J. Pratt reported that additionally, the SED team searched commercial properties currently on the market in Stowe and came up empty-handed in terms of finding a parcel that would meet SED's needs. J. Pratt reminded the Commission that as discussed at the December meeting, undeveloped residential parcels on the market come at a premium price. In addition to researching private parcels, SED also reached out to S. McShane with the Town to determine if there are alternate Town-owned parcels that might accommodate a storage facility for the Electric Department. J. Pratt reported that no parcels were identified as appropriate.

J. Pratt informed the Commission that the SED team combed through parcel maps of the town and reached out to several large and small property owners in Stowe to see if they would be willing to sell SED a plot of land for construction of a storage facility. SED was unable to secure an offer from any of the landowners approached.

At the December 7, 2022, Commission meeting, the dump road facility owned and formerly occupied by Stowe Electric, was also discussed as an alternative site and it was requested by H. Scheuermann that SED look at the lease and property again. J. Pratt reported the findings of SED staff and let the Commissioners know that the Dump Road facility is currently being leased by the Lamoille Regional Solid Waste Management District. The lease is for an initial term of 5 years, commencing on November 1, 2020, and an additional 5-year extension is available with 90 days' notice by either party, for a total lease agreement term of 10 years (ending 2030). J. Pratt noted that there is no option to terminate this agreement before the initial 5-year term ends. J. Pratt explained that even if SED were able to terminate the agreement early, the existing facility is insufficient for the needs of SED. J. Pratt noted that the Dump Road parcel is small, and as SED believes the current facility is located on a capped landfill, there is likely to be significant remediation and environmental measures required for new construction or significant renovations needed.

J. Pratt explained that based on SED's current financial outlook, five-year capital plan and research conducted, Cady Hill presents the most cost-effective and fastest development potential of a much-needed storage facility for utility operations.

J. Pratt assured the Commissioners and Cady Hill abutters that SED had heard their concerns at the last Board meeting and as an alternate location was not possible, B. Lilley worked to find an alternative building site on the existing Cady Hill parcel that

would hopefully help to mitigate some of the abutter's concerns. B. Lilley suggested moving the storage facility up toward the top of the lot and sharing the existing driveway that serves the substations. J. Pratt noted that this change would require significantly less site-work as SED would not have to install a new driveway to reach the storage facility.

S. Teachout inquired as to where the bikers parked to access the Cady Hill trails. L. Keifer pointed out the area (on the displayed map) that the bikers were utilizing as parking. J. Pratt informed the Commissioners that the current area where the bikers park may not be able to continue as there are currently a lot of physical security concerns in the industry right now regarding access and proximity to substations. J. Pratt noted that SED would be working with S. McShane at the Town to reconfigure where people are parking in proximity to the substations.

L. Lackey asked if the current recreation parking would impede access to the proposed building. J. Pratt responded that having cars parked in that location would not be ideal as it would be directly across from the garage bays. Therefore, SED would probably have to install some 'no parking' signs and find an alternative spot on that parcel for people to park. J. Pratt noted that during construction of the storage facility SED would need to install a fence and during that time, the bikers may need to find an alternative location to park.

J. Pratt reiterated that the new proposed location for the storage facility reduces the impact to the Cady Hill abutters as it pushes the storage facility back toward the existing substations, a new driveway coming in along the property lines will not need to be installed and it mitigates the site disruption to some extent because there will be less road construction taking place.

S. Teachout inquired about the elevation and whether there was a berm located at the proposed site. J. Pratt responded that the site would be mostly level and that the berm would be behind and to the back of the facility.

R. Thompson expressed appreciation at the effort to try and find different locations but stated that the building site change does not solve any of the prior issues that were raised around safety on Cady Hill regarding the large commercial trucks that would be accessing the storage facility. R. Thompson stated that he was concerned at the pace at which the project is moving as it feels like SED is trying to fit a square into a round hole on the parcel and that SED is going back on what was initially intended. R. Thompson remarked that if there was more time and the project did not feel as rushed, that there may be more of an opportunity to explore the 'Stump Dump' and the cost associated with that option as R. Thompson did not feel that the cost would be any greater than those that would be associated with other properties. R. Thompson stated that he stands firm with the initial opinion that this is simply a poor site for this project.

L. Keifer stated that the berm was originally built to hide the substation from the entrance into town. L. Keifer questioned how removing the berm and sticking up a big, long building would make it nice coming into town. L. Lackey responded that he felt the building would serve the same purpose as a berm, as the building would block the direct view of the substation.

L. Keifer noted that in the previous meeting she felt that SED had stated that the storage facility could not be built in a particular area because there were too many people that used that area for recreation. L. Keifer said that there are many cars that park in the proposed development area, more than 20 in the Summer, and that SED will block half the parking for Cady Hill with the proposed facility.

R. Thompson stated that if SED is talking about potentially impeding access for the public to that parcel, that SED is not going to just be dealing with the Cady Hill abutters opposing the project. R. Thompson implied that there will be several folks who will take issue with the project and said he felt the revised site is worse than the first one.

T. Bartholomew suggested that SED needed to check with Ed French's office on the legalities of the berm as he felt there were strict ramifications concerning the berm as it was built for a specific reason.

J. Pratt stated that if there were restrictions on the berm, it would bring SED back to the original proposed location on that site which would be down below T. Bartholomew's driveway.

M. Scotti stated that she would object to that location.

J. Pratt reiterated that at some point access to the substations is likely to be an issue regardless of whether a building is built on the Cady Hill parcel as there are a lot of physical security concerns right now within the electric industry regarding substation security and access. Due to these concerns, J. Pratt thinks it likely that SED and Vermont Electric Power Company (VELCO) will want to revisit who is parking in the vicinity of the substation and what that looks like from a security perspective.

T. Bartholomew stated that the access up the hill, particularly the corners, is concerning and that he felt there might be a legal issue with bringing commercial vehicles up Cady Hill Road. T. Bartholomew voiced that he felt the number of commercial vehicles being brought up Cady Hill Road would increase, and that SED might want to investigate the legality of that as well.

J. Pratt countered that SED does not anticipate a significantly greater number of vehicles as the line crew is still going to the same location as they had been to get transformers. SED would bring other materials to the site, but SED does not foresee a significant increase in trips to the Cady Hill facility.

T. Bartholomew stated that based on the notes, SED was taking four or five material storage locations and combining them into one location, therefore he disagreed with J. Pratt's assessment that there would not be increased truck traffic.

J. Pratt responded that was not necessarily accurate as oftentimes, when SED is getting materials for a job, the line crew stops at multiple locations along their route to gather these materials.

E. de Brabant voiced concern over the steep S-curve and stated that the turn is quite a death-trap especially as there is more traffic going up through to the Cady Hill trails along with SED going up on a daily basis. E. de Brabant stated that obviously, SED is looking for more storage, so that means there will be more passage, whether this year or years out and therefore, a storage facility will increase traffic on Cady Hill as it gives SED the potential to make more deliveries and pickups. E. de Brabant also expressed concern over the safety of traffic on Cady Hill as there are lots of children and dogs in the neighborhood.

M. Scotti stated that most of the property owners on Cady Hill Road are not Airbnb's, they are locals who pay taxes, work and volunteer in Stowe and they have been volunteering their time and working in the community for quite a while. M. Scotti stated that it felt like the Cady Hill residents were being backstabbed a little bit as they have granted access and allowed SED to use the land, agreed to electrical projects in the past and now it feels as if SED is hitting the Cady Hill abutters again.

M. Scotti inquired as to where SED would park at the revised site location. L. Lackey responded it was his impression that SED would drive up, open the doors, grab the equipment that they need, close the door, and leave, so there is no long-term parking required.

J. Pratt agreed with L. Lackey and stated that regardless of which layout for the storage facility is chosen, SED is getting materials, closing it up and leaving. J. Pratt noted that there could be occasions when SED is working on the substation and therefore the trucks would be parked there for longer, but the intention is not for the Cady Hill storage facility to need long-term parking.

J. Pratt said the storage facility's intent is to get SED's materials under protective cover in a centralized location. J. Pratt noted that the most recent storm highlighted the need to have materials in one centralized, covered location as having widely dispersed materials throughout town, in inclement weather, inhibited SED's ability to restore power.

J. Pratt stated that SED needs to ensure that ratepayers get the most lifetime out of materials by securing them and by making sure that the materials SED has in stock are at their best quality when they go into the field. J. Pratt explained that building a covered storage facility on a parcel already owned by SED is the most responsible use of

ratepayer funds as it would not require any additional expenditures and would allow SED to get materials under cover in the most expedient way.

J. Pratt reiterated that SED did try to compromise and work within the Cady Hill parcel to mitigate some of the concerns raised by the abutters, but to R. Thompson's point, SED could not address all of them.

R. Thompson stated that Stowe is a very vibrant community that he would like to feel is safe, and the arguments surrounding security at the substation and the storing of materials feels a little bit geographical and not specific to this area. R. Thompson continued to say the notion that the Cady Hill site would be accessed on a heavy basis during a wind or storm event is troubling as Cady Hill Road is hazardous even when it is dry and the addition of SED vehicles during storm conditions, when the road may or may not be plowed, is concerning.

R. Thompson stated that the Cady Hill project feels rushed, ill-conceived and that the creativity could be greater on trying to find other locations. R. Thompson continued to say that if SED sold the parcel, the proceeds could be put toward another location and construction at that location. R. Thompson stated that when he hears the excuses of cost and other potential adders that exist on that parcel, the full scope is not being considered. R. Thompson indicated that he works in development on public and private municipal land across the state and that his organization would never go into a project at this pace as it is not a great way of doing it.

J. Pratt informed the Board that in December there was a cable fiber outage in Cambridge because there were gunshots impacting two separate parts of Stowe Cable's line and this event popped up on the government's radar as a potential security issue. J. Pratt stated there are substation and energy infrastructure concerns nationwide.

J. Pratt explained, regarding the perceived pace of the project, that the Cady Hill storage facility was already in the queue before her appointment as General Manager (GM). J. Pratt noted that E. Burt [previous GM] had been working on this project internally and that SED is currently in the public phase of the project, but the groundwork had been laid prior.

J. Pratt said it would benefit the Cady Hill abutters for SED to have their facility on Cady Hill as SED would clear trees and plow the roads during a storm to get access to the storage building.

E. de Brabant voiced her concerns about safety and that she found the interruption to a quiet neighborhood like Cady Hill by SED quite scary.

L. Lackey asked if the timeline for the project and the required work at Cady Hill substation had been delayed by equipment availability.

J. Pratt responded that the substation upgrade had been delayed due to both equipment delays and needing to find a place to store the transformers that are currently being housed within the Cady Hill substation.

L. Lackey asked if SED was ready to proceed with the work at the substation.

J. Pratt responded that the application process for the substation upgrade has not happened yet. SED is looking at a late summer start date for the substation upgrade which is why SED is trying to queue up a storage solution for the transformers so that the work can be started. J. Pratt said she is unsure if SED can build a storage facility in time for those transformers to be relocated into, so SED may need to find a temporary location to house them so that the substation upgrade can commence. J. Pratt explained that if the Commissioners agree to move forward with the Cady Hill parcel, then SED would present the project to the Development Review Board (DRB) in March and with DRB approval, SED will try and get construction underway in late Spring, early Summer. Work on the substation would then start in August pending the arrival of materials.

L. Lackey inquired if the lead times for the equipment had been pushed out by the events in Ukraine and B. Lilley responded that at this point, they had not been affected.

G. Keifer asked if the storage building could be built in the area where the transformers are currently being stored.

J. Pratt explained that the transformers are not allowed to be stored where they are currently. The current storage area was a temporary situation that has turned into a semi-permanent situation, and according to state regulations, those transformers need to be removed from their current location. The transformers cannot be within the substation fence and SED does not own any additional land around the substation to go back into the woods, which is why SED is discussing building on the parcel currently owned by SED. B. Lilley further explained that the new equipment for Circuit three will be taking up the space where the transformers are currently located.

L. Keifer informed the Commissioners that when VELCO first put in the lines, the Keifer's lost the use of part of their pond area for putting up fence, etc. for the good of the community. L. Keifer stated that she felt once again that they are doing the same thing as they are losing some of their vicinity, privacy, and road for the good of the community and that it is a shame that they must do it many times.

L. Lackey responded that he agreed with L. Keifer, but stated that to him, this is a situation where there are advantages to putting one use next to an existing use, as opposed to spreading resources around town where it just makes things much less efficient.

R. Thompson expressed that the issues concerning security of these transformers, wires, whatever materials SED is going to store at Cady Hill, feels like another argument

to not locate the storage facility in a community. R. Thompson stated that if folks get wind that there is now a facility that is storing hundreds of thousands of dollars' worth of material, SED is now potentially introducing an incentive for criminal activity. R. Thompson said he was not being hyperbolic and that the potential for criminal activity is extremely troubling.

R. Thompson went on to express that at the last meeting it appeared like there was at least a minimum amount of concern over the Cady Hill location, however the vibe that he is gathering now feels as if that is no longer active. R. Thompson asked the Commissioners what the next steps were and if they had already decided to build on the Cady Hill parcel.

T. Bartholomew asked the Commissioners if they had been to Cady Hill. The Commissioners responded that they had visited the site on their own time. T. Bartholomew asked if the Commissioners had stood at the mailboxes and watched the cars going up and down the S-curve. L. Lackey responded that he had. T. Bartholomew stated that he hoped L. Lackey had seen what T. Bartholomew had seen as that is a dangerous corner.

T. Bartholomew observed that SED is concerned with security around the substations, but the gate to the substations has not been locked and the area has not been patrolled in years.

T. Bartholomew informed the Board that the Cady Hill parcel was purchased by SED without the abutters knowing and that E. Burt told him that the only reason SED bought the Cady Hill property was to protect SED's infrastructure and that SED was never going to develop the property. T. Bartholomew further stated that he understood that things change, he realizes the parcel is one that SED can certainly build on and to him the rendering of the facility looks beautiful, but he keeps returning to safety concerns regarding the S-curve and the aesthetics of the building from Route 100.

L. Lackey stated that the Commissioners were aware that SED was going to make an offer to purchase the Cady Hill property and that he was unsure of what E. Burt told T. Bartholomew. L. Lackey explained that he cannot undo what E. Burt told T. Bartholomew and that L. Lackey does not think the Commission can be bound by it. To which T. Bartholomew agreed. L. Lackey apologized if E. Burt told T. Bartholomew something that was not true.

L. Lackey explained that he found the revised facility location to be better than the original location and proposed making the back of the storage facility earthen so that it potentially would not stand out as much from Route 100.

L. Lackey stated that he does not get the sense that SED will add a lot of traffic to the road, as SED staff is already going up Cady Hill to retrieve equipment and that from the discussion, it seems that most of the traffic on Cady Hill is due to recreation in order to access Cady Hill Forest.

L. Lackey asked SED staff if they had considered renting storage space from a commercial facility in Stowe. SED staff responded that they had looked at a couple of different storage facilities and that truck access, regulations, space issues and logistics of moving equipment in and out of the building had deemed them unfeasible.

S. Teachout asked what SED will do if storage is not constructed in time for the start of the Wilkins Substation project. J. Pratt responded that SED will likely erect a temporary fence on the Cady Hill parcel to store the transformers. M. Scotti asked about erecting the temporary fence in a different area to which SED staff responded that SED did not own that property and that storage in that location would also limit access to the substation. J. Pratt noted that a temporary fence is not the ideal situation, but SED would at least be able to move forward with the upgrade of the substation.

L. Lackey noted that SED is upgrading the substation for a reason- it is needed, so there is a sense of time urgency in getting the project done as there are reliability benefits that can only be realized when the facility is completed. J. Pratt responded that Stowe is a growing community and there is an increased load on the system due to that growth, so getting the substation project done on schedule is important to the future of SED's infrastructure.

L. Keifer asked for clarification on the size of the storage building as it was originally presented as 100 feet, but in discussion, it was presented as 120 feet in length. J. Pratt explained that SED mapped 120 feet to see how it would fit on the parcel as SED may be able to afford the additional 20 feet as there is significantly less driveway work that will need to be completed in the revised location. J. Pratt reiterated that SED could go back to the original dimensions of 100 feet if that were of interest to the community, but that SED was also looking at adding the additional 20 feet in order to future-proof the facility in the hopes of avoiding an expansion conversation in the future. L. Lackey stated that there would be no promise today that SED would never do anything else on this parcel because it is hard to foresee the future needs of SED. L. Lackey noted that due to the location of the parcel and the way the town is growing, and its' needs are growing, in ten years, L. Lackey could foresee the need for SED to add something else to the Cady Hill parcel.

S. Teachout noted that the Commissioners and SED should talk about 'next steps' so that the Board could be very transparent about what the decisions are. S. Teachout noted that SED needed to research the berm and L. Lackey asked how long that would take. M. Lazorchak explained that he would need to research the berm for the DRB permit and requested that the Board make a decision on the Cady Hill parcel so that SED could get on the DRB schedule for March.

R. Thompson asked if SED would still consider selling the parcel at market value. S. Teachout responded that even if there was no storage facility built on the Cady Hill parcel, she did not think it would be wise for SED to sell the parcel as it protects the power station and the transmission lines. L. Lackey agreed and stated that SED has

completed a very thorough look around town for other options, and as SED is not finding an alternative to the Cady Hill parcel, the last thing that SED wants to do is divest the property when SED needs to use it.

M. Scotti stated that people buy land based on what is adjacent to it and that a storage building will hurt property values. L. Lackey responded that everybody in town is affected by what their neighbors do as it is the nature of development. L. Lackey noted that SED has looked at other ways to meet the need for equipment storage and as SED is not finding anything, L. Lackey is sorry, but SED is going to affect the Cady Hill neighbors.

J. Pratt requested that if the Commission wanted to pursue construction of a storage building on Cady Hill, that the Commissioners make a motion to do so in order to give SED the ability to move forward with researching the berm, designing a detailed site plan, and getting on the DRB schedule for March.

S. Teachout and L. Lackey agreed that was what they wanted to do, and L. Lackey stated that he does not want to specify the size of the storage building as SED needed a more detailed site evaluation, therefore L. Lackey did not want to put constraints on the project. L. Lackey requested that if the facility was going to be much larger or different than what had been presented to the Commission, that SED staff check back in with the Board.

J. Pratt stated that SED would update the Board on progress at the February meeting.

S. Teachout stated that she felt the building should be wood and that it should look as good as possible on the site. J. Pratt agreed and stated that she felt a quality building would help with property values for the neighbors.

L. Lackey requested that SED staff also consider motion lights in the final design plans of the storage facility to minimize the impact on the neighbors. In addition, L. Lackey suggested that SED reach out to Stowe Trails Partnership to give them advance notice that there may be changes coming to the parking access. SED staff responded that they would be working with the town along with Stowe Trails to find the best solution to the parking situation.

S. Teachout requested that if there is a legal issue with the berm that SED staff let the Commission know immediately. J. Pratt assured the Commissioners that SED would keep them informed of the process and would not wait until the February meeting if SED ran into any issues.

J. Pratt clarified the preferred location for the storage building as the second location that is closer to the substations. S. Teachout and L. Lackey agreed.

S. Teachout made a motion to move forward with the Cady Hill Storage Facility plan and to proceed with the application to the Development Review Board (DRB). L. Lackey seconded the motion, and it was unanimously approved.

At 9:32, guests Gregory Morrill; Lois Kiefer; Gregory Kiefer; Margaret Scotti; Timothy Bartholomew; Pete Heintzelman; Carrie Heintzelman; E de Brabant; “Your Name;” Brad Bechtel and RJ Thompson left the meeting.

November Financials and Capital Plan

L. Lackey noted that the August 1st rate increase, which was not included in the original budget, and closing out some large construction projects helped push SED revenue over budget. S. Juzek confirmed and explained that on the opposite end, SED had to buy more materials due to the increase in services and that in the original budget, purchase power was based on November 2021 projections and after an Energy New England (ENE) reforecast in May of 2022, purchase power increased by 1.3 million.

S. Teachout asked for clarification on how the finances work for new services. B. Lilley responded that the developer, electrician, etc., will pay SED to do the primary work that needs to be completed to connect to services and that the transformer or the weatherhead, depending on type of service, is the demarcation.

S. Juzek explained how the fiscal year transition would work for the budget due to SED adopting a new fiscal year (July-June) at the last Commissioners’ Meeting.

L. Lackey asked how SED determines which source to use for funding the capital improvements. S. Juzek explained that the bond is solely for Wilkins substation which is a \$4 million bond spread out through its’ completion in 2025 and that most of the grants are for hydroelectric development and resiliency.

S. Teachout noted that SED has done an excellent job trying to get outside funding. J. Pratt responded that M. Lazorchak is constantly pursuing grants and S. Juzek noted that the outside funding has helped to keep SED’s debt ratio low.

The Commission and staff further discussed financing, debt ratio, borrowing and establishing a philosophy for funding and spending that aligns with the Public Utility Commission (PUC).

L. Lackey noted that he liked what S. Juzek did with the long-term financial forecast plan and S. Teachout said it was helpful to have a running project list.

The Commissioners and staff also discussed VELCO equity and SED’s offer to purchase the poles owned by Consolidated Communications Holdings, Inc. (CCI) that are in SED’s service territory.

L. Lackey asked S. Juzek how SED manages cash for maximum interest. S. Juzek responded that December through February are SED’s tightest months, but she will investigate opportunities for the future.

S. Teachout inquired about SED's use of credit cards and noted that the general financial principle is to avoid using credit and having multiple cards. SED staff responded that credit cards were predominantly used for travel, conferences, and miscellaneous expenses. J. Pratt stated that the credit card policy was something that she had not investigated, but it was a good question and something that could be researched in the future.

L. Lackey and S. Teachout opted to wait on approving the Capital plan until next month as they wanted additional time to review the plan and to ensure that all three Commissioners were present to vote.

Enterprise System

At 10:02 am, Jackie Pratt invited L. King to join the meeting.

L. Lackey asked what alternative systems SED had researched prior to selecting National Information Solutions Cooperative (NISC) as the chosen provider.

Staff responded that they had considered several systems, but they did not meet the needs of SED for assorted reasons.

J. Pratt explained that in addition to meeting all the needs of SED, NISC is a co-op that serves public power utilities, co-ops, and municipalities so NISC is continuously reinvesting in ongoing development and sharing the technology with its' co-op members.

J. Pratt further explained how both ratepayers and SED would benefit from the improved functionalities and programs of NISC and that NISC is one of the more progressive companies in the industry as they are constantly looking ahead to provide the tools needed to propel the energy industry into the future. J. Pratt expressed that SED staff were eager for the new NISC system and the improved efficiency and integrated experience that it offers.

S. Teachout made a motion to approve the Enterprise System selection of NISC. L. Lackey seconded and it was unanimously approved.

L. King exited the meeting at 10:14 am.

Winter Storm Elliott Recap

Winter Storm Elliott hit the Stowe area in the early morning hours of Friday, December 23, 2022. The first outages began pre-dawn on Friday with heavy winds continuing to disrupt service throughout the day. At the peak of the storm, Stowe Electric had approximately 3,500-3,800 customers without power. The largest outage was due to damage along SED's transmission line, which was to blame for approximately 1,300 customers without power on circuits 5, 6, 7, and 8. Heavy winds played a significant role

throughout the day on the 23rd, causing major tree and pole damage throughout SED's service territory. As winds died down during the evening hours on Friday, temperatures dropped precipitously and whiteout snow conditions set in, lasting into early Saturday.

Recovery work that started on Friday the 23rd continued throughout the weekend and into Monday the 26th, including over the Christmas holiday. J. Pratt reflected that Stowe Electric's line crews responded admirably, and SED's office staff stepped up to provide outstanding customer service, communications, and dispatch support for the duration of restoration operations. Sterling Municipal Light Department in Massachusetts sent a mutual aid crew to assist with restoration efforts. Stowe Public Safety and Public Works provided support to SED crews in the field. Vance Line Contracting assisted with setting new poles. J. Pratt stated that through this incredible team effort, all power was restored by the evening of Sunday, December 25th, apart from 12 customers on Baird Road. Those customers were restored late in the day on Monday the 26th.

J. Pratt expressed that as the new General Manager, she was extremely impressed by the dedication and determination of the SED team as staff worked tirelessly throughout the outage event, forgoing time with their own families over the Christmas holiday weekend. J. Pratt observed that this dedication and commitment was evident across all employee groups, from the field to the office, union and non-union alike. J. Pratt remarked that the entire SED team was focused on restoring service to customers as quickly and safely as possible, while being mindful of the added anxiety the holiday was causing for many residents. J. Pratt stated that SED staff was grateful for the support and patience of the community as SED tackled the extreme challenges presented by the impact of Winter Storm Elliott.

L. Lackey stated that it was an outstanding effort by SED, that he really appreciated the people from Vance and Sterling for coming out to help and that he was thrilled to hear that once SED had restored power to all its' service territory that the line crew went out and helped other utilities. S. Teachout expressed that going to help other utilities was a wonderful thing to do, especially as the line crew was already exhausted.

The Commission and staff discussed Federal Emergency Management Agency (FEMA) status, shortcomings that were identified during the storm, system improvements, preparation for future storms, hardening the system and improving the existing infrastructure to improve both functionality and access.

General Manager Highlights

J. Pratt informed the Commission that after the recent substation attacks in North Carolina and Washington, the Federal Energy Regulatory Commission (FERC) ordered the North American Electric Reliability Corporation to determine whether physical security grid reliability standards should be strengthened. J. Pratt noted that depending

on those security decisions, SED could see some requirements come down the line that could result in unanticipated added costs or new projects.

J. Pratt noted that the Outback Acres Power Purchase Agreement (PPA) Amendment was signed December 29, 2022, and that NextEra filed the Certificate of Public Good (CPG) in late January. Construction is slated to begin quarter three and should be on-target for service by the end of 2023.

J. Pratt notified the Commission that there was an evidentiary hearing scheduled for January 6, 2023, regarding the 13% June 2022 rate case, but that hearing was cancelled and instead a third round of discovery was issued to answer some remaining questions. SED filed a new rate case for an additional 11.5% on December 15, 2022, and will keep the Commission updated on the process.

J. Pratt apprised the Commission of SED's new partnership with HireAbility Vermont, an energized network of employment and job skills specialists and counselors who are dedicated to breaking down the barriers that have traditionally kept good jobs out of reach of Vermonters with disabilities. SED recently partnered with HireAbility Vermont to provide short-term, real-world work for their client, E. Yacovone, through the Paid Work Experience program. J. Pratt noted that SED is excited to have E. Yacovone on the SED team and hopes that this is the beginning of an ongoing relationship with HireAbility Vermont.

J. Pratt informed the Commission that the Town of Stowe is in the market for a new groomer for the local ballfield. The cost differential between a gas-powered groomer and an all-electric groomer is approximately \$3,000. C. Stafford reached out for assistance from Stowe Electric to see what funding may be available to help close that gap. J. Pratt stated that the Town is eligible for SED's commercial rebate program, which provides an incentive of \$1,250. To bridge the remaining gap, Stowe Electric offered to "sponsor" the machine through an additional incentive in exchange for naming rights. The Select Board agreed with the proposal and authorized the purchase of an EV Ballfield Groomer at their January 18th meeting. J. Pratt informed the Commission that Stowe Electric will run a naming contest with Stowe Elementary students similar to the state's snowplow naming program. SED and the Town will narrow the submissions down to 3 to 5 acceptable options and the final, winning, name will be selected through an online community poll. J. Pratt explained that a decal with the chosen name alongside SED's logo will be placed on the machine to indicate sponsorship. J. Pratt believes this sponsorship presents a unique opportunity to engage the community and raise awareness of SED's electrification programs as well as the Town's efforts to "green" their fleet.

J. Pratt alerted the Commission that Stowe Electric will issue an expression of interest and request for information (RFI) for the redevelopment of Moscow Mill on or before March 1, 2023. This will include the dam stabilization project and spillway upgrades, emergency stabilization and adaptive reuse of the Seaver Sawmill, restoration and

adaptive redevelopment of the Second Office, and redesign of the parking and ingress/egress at 435 Moscow Road. J. Pratt informed the Commission that the purpose of this request is to determine interested consultants and contractors and to solicit design solutions for the various stages of SED's redevelopment project. J. Pratt assured the Commissioners that this request will not commit the utility to any part of the proposed project or commit any ratepayer funds. Rather, this request will allow Stowe Electric to finalize design plans, update budget estimates, identify partners and funding sources, and prepare Stowe Electric for grant funding applications in 2023 and 2024.

J. Pratt informed the Commission that J. Pratt and P. Waugh will be reviewing all existing employee policies and aggregating them into an employee handbook and that proposed changes to existing policies and/or adoption of new policies will be brought to the commission for consideration over the next few months. J. Pratt notified the Commission that Town Manager C. Stafford indicated the Select Board is likely to adopt a revised Sexual Harassment Policy in February and once that has been approved, a similar policy will be presented to the Stowe Electric Commission for adoption.

L. Lackey advised the staff that the Town adopted a Diversity, Equity, and Inclusion (DEI) policy and as SED had experienced turnover at the General Manager level, L. Lackey wanted to make J. Pratt aware of this policy.

J. Pratt informed the board that J. Pratt and M. Lazorchak are planning to present a Diversity, Equity, & Inclusion/Environmental Justice Resolution for potential adoption by the Stowe Electric Commission at the February 2023 meeting. J. Pratt informed the Commission that funding opportunities provided through the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) are part of the "Justice 40" initiative that requires 40% of grant funds go to benefit communities and demographics that have traditionally borne a disproportionate share of negative environmental impacts. SED staff believes that a DEI/Environmental Justice (EJ) resolution will be an opportunity for Stowe Electric to acknowledge this historic injustice and affirm SED's desire to better serve these customers through program development and community engagement. J. Pratt stated that a DEI/EJ resolution is the right thing to do as such a resolution will ensure SED considers DEI/EJ in decision-making and seeks input on ways that SED can better address inequity in our local community, both as a utility and an employer. J. Pratt and M. Lazorchak stated that they would review the Town's DEI policy as SED could potentially adopt the same policy with any necessary modifications.

At 10:41 am, S. Teachout made a motion to enter Executive Session to discuss a personnel matter. J. Pratt was invited to stay, and P. Waugh was asked to join the meeting.

The board made a motion to come out of Executive Session at 11:00 am and the motion carried.

S. Teachout made a motion to give a one-time bonus to the General Manager and all salaried employees for their exceptional work during the storm at one and a half times their normal hourly rate. L. Lackey seconded the motion, and it was unanimously approved.

L. Lackey noted that he was incredibly happy to grant these bonuses as it was an extraordinary effort by all the staff and that the community and Commissioners were very pleased with the results and the level of service provided by SED during Winter Storm Elliott.

There being no further business, the meeting was adjourned at 11:01 am.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'AI' followed by a long horizontal stroke.

Amber Ives

Clerk of the Board