

Minutes:

Stowe Electric Commissioners' Meeting

February 21, 2018 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron (via telephone), Chairman; Larry Lackey, Vice-Chairman

STAFF: Ellen Burt, General Manager; Denise Sullivan, Controller; Matthew Rutherford, Manager of Regulatory Compliance; David Kresock, Director of Operations; Lily Burgess, Clerk of the Board

Dick called the meeting to order at 8:02 a.m.

Approval of the January 31st, 2018 Meeting Minutes

On motion made and seconded, the minutes of January 31, 2018 were approved.

IT Report

The IT Report was part of the Commissioners' Meeting Packet but was not discussed in further detail.

Operations Report

The Operations Report was part of the Commissioners' Meeting Packet but was not discussed in further detail.

Financial Update

Presentation of 2017 Financials through December: Ellen explained that having examined the 2017 Budget closer, she realized the extent of the changes necessary to the 2018 Budget. Significant changes to the Financial Statements were listed in the financial summary email sent with the Profit & Loss Statement attached. The most notable change is the revised 2017 budget as it should have been entered. Denise S elaborated on variances between the year-end pre-audited results and the approved 2017 budget. Pre-audited financial results are still in flux. Year-end financial statements and a revised 2018 budget will be presented at the next Commissioners' meeting. VT Transco is still working through the changes in the Tax Code, which will have positive implications for SED. Currently, VT Transco is projecting a

2018 decrease in transmission costs of about \$240,000. Future changes will be announced in subsequent years because of the large distribution amount, as their deferred tax liability will drop considerably. The FEMA storm costs and potential reimbursement were discussed in detail.

Other Business

Highgate Converter Asset: The Term Sheet as well as its timetable for the proposed purchase and sales transaction, in particular the March 15th Execution of definitive Asset Purchase Agreement and warned Board of Commissioners' approval of said contemplated proposed transaction, were discussed. Potential future payments to the sellers were discussed in detail.

Dick Marron made a motion to authorize the General Manager, Ellen Burt, to sign the "Principal Terms and Conditions for Purchase and Sale of Ownership Interest in the Highgate Transmission Facilities" to serve as basis for further discussion between the parties towards negotiating, finalizing, executing and delivering a definitive asset purchase agreement, Larry Lackey seconded the motion and the motion carried.

The Board scheduled the next Commissioners' meeting for Friday, March 9th at 8:00 a.m.

There being no further business, the meeting was adjourned at 8:42 a.m.

Respectfully Submitted,


Lily Burgess
Clerk of the Board