

## **MINUTES: Stowe Electric Board of Commissioners Meeting**

January 24, 2024, at 8:30 am at Town of Stowe Electric Department Conference Room with remote participation available via Zoom.

### **Present:**

BOARD MEMBERS: Larry Lackey, Chair; Mark Gilkey, Commissioner

STAFF: Jackie Pratt, General Manager, Brent Lilley, Director of Operations; Sarah Juzek, Director of Finance; Michael Lazorchak, Manager of Regulatory Compliance; K. Stevens, Information Technology Manager; and Amber Ives, Clerk of the Board

**Call to Order:** L. Lackey called the meeting to order at 8:33 am and noted that S. Teachout was unable to attend.

### **Agenda Approval:**

L. Lackey proposed modifying the warned agenda to move the anticipated executive session to the last item of discussion and moved to approve the agenda with that change. The motion was seconded by M. Gilkey and approved.

### **Approval of December 27, 2023, Meeting Minutes:**

On a motion made by L. Lackey and seconded by M. Gilkey, the minutes of December 27th were approved.

### **Utility Borrowing:**

J. Pratt provided an update on 2019 Act 81 legislation and the provisions for approval of borrowing by the Selectboard alone or whether Stowe Electric Department (SED) needs to go before voters in every issue of debt issuance. J. Pratt informed the Board of Commissioners that an opinion letter had been issued to Town Counsel on SED's behalf, but that a final opinion had not yet been rendered by Town Counsel.

J. Pratt advised the Board that SED's warrant article for upcoming Vermont Transco, LLC (VELCO) equity purchases was approved by the Selectboard at the January 10, 2024, meeting. The warrant article will appear on Australian ballots for the March 5, 2024, Town Meeting for approval to borrow up to \$3MM through December 31, 2028.

J. Pratt notified the Board of Commissioners that SED staff plan on presenting information related to the borrowing at the Town's February 28, 2024, informational meeting.

J. Pratt discussed preparing for possible warrant articles related to capital project borrowing to be included on the November 2024 ballot, particularly the United States Department of Agriculture (USDA) Powering Affordable Clean Energy (PACE) program loan which would fund quite a few of SED's five-year capital projects.

### **Emergency Operations Center Redevelopment Plan:**

J. Pratt discussed the redevelopment of the "second office" and the need for SED to develop construction-ready drawings for issuance of a Request for Proposal (RFP).

L. Lackey asked what the cost would be to renovate the second office. J. Pratt replied that currently, SED does not know that number as construction-ready drawings are needed for an accurate estimate to be rendered.

J. Pratt explained that there is a need for an Emergency Operations Center (EOC) as the conference room does not have the IT capabilities or space needed during major outage events. J. Pratt apprised the Board of Commissioners that Senator Sanders (I-VT) submitted a Congressionally Directed Spending (CDS) request of \$245,000 for EOC funding to help with renovation costs for the second office, and that the CDS has been included in the current proposed federal budget.

K. Stevens explained that converting the second office into an EOC would allow SED to relocate some of our servers from Williston to the red building, and this would be a benefit during outage events as it would help reduce communication 'lag time.' K. Stevens further explained that during major outage events, having the dispatch team working together in the same quiet space provides an advantage as it allows easy communication amongst team members.

J. Pratt clarified that the second office would not only be an EOC but would also double as the control center for any future solar and hydroelectric operations taking place on SED's parcel. In addition, if SED incorporated battery storage into the parcel, it would improve resiliency and could potentially allow SED to island on to a microgrid in an extended emergency situation.

L. Lackey expressed concern over the cost of the project, particularly the up-front expenditure of construction-ready drawings for issuance of an RFP when the project potentially could not come to fruition due to cost concerns. J. Pratt advised that she felt it was financially reasonable to repurpose the second office while it is still in fairly good shape rather than letting it deteriorate further, thereby increasing renovation costs at a future date.

SED staff and the Board of Commissioners also discussed the sensitivity of resources on the parcel, the fluidity of design plans, parking, run-off concerns and the vital need for additional space for SED staff.

M. Gilkey moved to approve the development of construction-ready architectural drawings for renovation of the second office by C. Carey for the purpose of issuing an RFP. L. Lackey seconded the motion, and it was approved.

K. Stevens left the meeting at 9:15 am.

### **General Manager Highlights:**

The Board of Commissioners and staff discussed the Renewable Energy Standard (RES), potential changes to the program, resources for power and the importance of reliability and cost of electricity to SED's customers.

M. Lazorchak left the meeting at 9:25 am.

J. Pratt informed the Board of Commissioners that SED received notice from the International Brotherhood of Electrical Workers (IBEW) that they intend to negotiate a new contract with SED to take effect upon expiration of the current agreement at the end of March. J. Pratt discussed the tight timeline of negotiations and her plan for keeping the Board of Commissioners informed throughout the process.

J. Pratt apprised the Board of Commissioners of P. Richardson's resignation following the loss of his home in the flood of December 18, 2023, and spoke about his integral role in on-boarding the in-house tree crew and establishing a baseline for performance and safety.

In addition, J. Pratt and the Board of Commissioners discussed the possibility of establishing fiber backhaul for SED's meter gatekeepers, server upgrades, the forecast for interest rates, the final audited financial statements, updates to the five-year capital plan, grant opportunities, riverbank erosion, opportunities for battery storage, and published RFPs.

B. Lilley discussed the Mutual Aid performed by the Line and Tree Crew during the December storms, as well as the continuing supply chain issues that SED is experiencing with equipment, particularly transformers.

At 10:10 the Board of Commissioners and J. Pratt entered Executive Session to discuss a legal matter.

There being no further business, the meeting was adjourned at 10:53 am.

Respectfully Submitted,

*Amber Ives*

Amber Ives

Clerk of the Board