

**Minutes:**

Stowe Electric Commissioners' Meeting

October 21, 2020 at 8:00 a.m. at Town of Stowe Electric Conference Room

**Present:**

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

STAFF: Ellen Burt, General Manager; David Kresock, Director of Operations; Kristin Winer, Controller; Mike Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

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

**Approval of the September 23<sup>rd</sup>, 2020 Meeting Minutes**

On motion made and seconded, the minutes of September 23, 2020 were approved.

**Financial Reports**

August Financial Reports: SED ended August flat compared to July with \$884K in total net income, which is \$314K above the 2020 straight-line YTD budget. SED is expecting this net income to reduce significantly over the next few months since distribution expenses will increase as line clearing has begun again in July, and many projects will need to be completed before winter. Furthermore, SED's inventory needed to be replenished after the freeze on any spending.

Cash Flow Analysis: SED is doing better than expected mostly due to the deferral of many projects, including four of significant cost, as well as strict purchasing limitations. The forecast is conservative, but also assumes that Stowe experiences a relatively normal winter, and the ski area will operate and make some snow. Kristin will work on additional forecasting and the 2021 budget for next month's meeting.

Rebates and Incentive Payments: SED budgeted \$65,000 and YTD has paid out \$21,625 in incentives to customers. SED surpassed their budget last year, however, this year customers are buying less.

**Operations Report**

David reported that the linemen are still very busy. Last month, they concentrated on underground replacements. The work on Maple Road has been completed and all the new underground and new pad mount transformers are now energized. Percy's has

started trenching along High Farms Road to install the new conduits for the replacement underground conductors. Percy's completed the installation of the conduit system for the new circuit 6 & 7 tie point two weeks ago. SED crews will be installing pull tapes for measuring conductor lengths and will be getting the conductors on order. Due to the cold temperatures (pulling the 2" conductor 1,800 feet is not an easy task) SED will most likely not start the pulling process until Spring 2021.

SED initiated 12 planned outages in the past month for service work and tree cutting. A high windstorm event on October 7<sup>th</sup> caused 6 different incidences and the line crew worked all night and into the next day. Outage Alert systems, such as VT-Alerts, the VELCO Weather Alerts as well as the Deep Thunder program were discussed.

Charles Safford forwarded the Town Road Ash Tree Inventory along the Town's Highways. The damage caused by the Emerald Ash Borer (EAB) was discussed. VELCO has an EAB committee together with all the utilities that meet on a quarterly basis. Stowe Electric follows the Town Plan created last year, since at that time Stowe was not affected and the situation only needed to be monitored. However, the Ash trees might have been infected 4 years ago, as it takes 4-5 years before the tree becomes distressed. The main concern is two-fold because the tree dies in such a fashion that one can't tell, which causes a safety issue because the tree will literally shatter and huge chunks can "rain down" on the tree trimmers.

## **Regulatory Report**

Case 20-0703-PET – Moratorium on Involuntary Disconnections: The Public Utility Commission (PUC) lifted the moratorium on involuntary disconnections and provided the utilities Emergency Rules to follow for disconnections.

### Workshops and Community Outreach:

SED staff attended the Town of Stowe Energy Committee meeting to finalize a partnership with SED, the Energy Committee, and Button Up Vermont (VEIC/Efficiency Vermont plan). SED continues to work with Efficiency Vermont to coordinate efficiency measures outreach for small and medium businesses in Stowe.

SED hosted a site visit for the restoration of the Moscow Mills site with the Preservation Trust of Vermont, State Historic Division, Department of Public Service. SED staff has updated the Agency of Natural Resources (ANR), Federal Energy Regulatory Commission (FERC), US Forest Service (USFS), and US Fish & Wildlife (USFW) regarding our plan to restore the hydro generation facility.

## **Lease of Old Garage Facility**

The Lamoille Regional Solid Waste Management District (LRSWMD) Executive Committee met last week and agreed to the latest lease agreement. Their Board met on Tuesday night to sign off on the final lease. Ellen is expecting to hear from them this week.

Larry Lackey made a motion to authorize the General Manager to enter into a lease agreement with Lamoille Regional Solid Waste Management District for the old garage facility on Dump Road, consistent with the terms as described in the General Manager's Executive Summary dated October 15<sup>th</sup>. Dick Marron seconded the motion and the motion carried.

### **Line of Credit Renewal**

SED is grateful that it did not need to use the Line of Credit during the pandemic by cutting expenses drastically compared to the same time period 2019. The current Line of Credit matures on October 31, 2020. Ellen asked the Board to sign the allonge agreement, that will then need to be approved and signed by the Selectboard.

Larry Lackey made a motion that the Electric Department enter into the Allonge for Attachment to Note (Line of Credit) Agreement for up to \$1,500,000 with effective date October 31, 2020 and a maturity date of October 31, 2021. Dick Marron seconded the motion and the motion carried.

The Commissioners signed the Resolution and Allonge for Attachment to Note.

### **Other Business**

Stowe Electric Educational Video: This video about power generation and renewables was produced for the 2020 VT Virtual Youth Environmental Summit through UVM Extension and can be viewed online at:

<https://www.youtube.com/watch?v=olUM87IEWXA>.

The Commissioners commented on the job well done! Dick suggested that Ellen forward the video to Charles Safford to share with the Selectboard as well.

Dam and Mill Building: Future plans for the renovation of the mill building as well as restoring the hydro plant were discussed in great detail. Stabilizing the dam itself is very important. The Stowe Historical Society is supportive of the project since the mill facility has been used for hydro in the past. Larry suggested to produce a pamphlet to hand out to the many people stopping on the SED property to see the mill building and take pictures. The idea of recording the process and filming the transformation was discussed.

VT COVID-19 Arrearages Assistance Program (VCAAP): The disconnection moratorium ended on October 15<sup>th</sup>, mostly to encourage ratepayers to take advantage of the Vermont Arrearage Assistance Program VCAAP. So far, SED has received 30 residential and 23 non-residential (commercial) applications. The Public Service Department has approved 24 residential applications and SED received \$6,290 to apply to residential customers' accounts toward their arrearages. Statewide, the Department received 6,000 application so far and has earmarked about \$3,000,000 to be awarded to applicants. The Department modified the VCAAP parameters yesterday and lifted the cap on how much each utility can receive. The cap for all applications has also been

raised to \$10,000 per eligible account and meter. Furthermore, utilities are allowed and encouraged to review an application for a second time, once more past due balances become eligible for VCAAP, even if money was already awarded and credited to a customer's account. During this second review, utilities will need to record the 30+ eligible past due amount, as well as the additional 60+ days eligible past due amount to eliminate a third review should funds still be available for disbursement.

The Board scheduled the next Commissioners' meeting for November 18<sup>th</sup> at 8:30 a.m.

There being no further business, the meeting was adjourned at 9:34 a.m.

Respectfully Submitted,

  
Lily Burgess  
Clerk of the Board