

Minutes:

Stowe Electric Commissioners' Meeting
October 20, 2021 at 8:30 a.m. at Town of Stowe Electric Conference Room

Present:

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

STAFF: Ellen Burt, General Manager; Brent Lilley, Director of Operations; Sarah Juzek, Controller; Mike Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

Dick called the meeting to order at 8:30 a.m.

Approval of the September 22, 2021 Meeting Minutes

On motion made and seconded, the minutes of September 22nd were approved.

Financial Report

Preliminary August 2021 Financial Results: SED ended August with \$708,497 in total net income, which is \$455,785 above the 2021 straight-line YTD budget. This favorable result is caused from the budget being based on the prior year results from COVID-19 and the load increase from the growing population moving to Stowe. Operating Revenue overall was \$115K favorable to the budget, with Electric Sales being \$40K over budget. Contract Work Fees were about \$75K over budget as a result from new construction and the growing population. Operating Expenses overall were \$394K favorable to budget.

June 2021 Audit: The majority of the audit adjustments are reflected in the August financials. SED is also expecting an immaterial adjustment to depreciation expense going forward for July through December. The audit is now waiting for final approval from the senior management at KBS.

Allonge for Line of Credit: The current Line of Credit matures on October 31, 2021. Ellen asked the Board to sign the allonge agreement, that will then need to be approved and signed by the Selectboard. The Board approved the allonge of the Line of Credit and signed the Note Agreement.

Update on Moscow Mill Project

Phase 1: The West Wall Stabilization project was started last week and hopefully will be concluded by next week. PC Construction and Cole Engineering safely stabilized the west wall with a temporary scaffolding, set the concrete footings, and the steel support structure is with the steel fabricator.

Phase 2: Staff is working with SLR International and Cole Engineering on stabilization concerns for the foundation of the Mill. Phase 2 will be improvements to the sluiceway and dam. SED will need a Section 106 (National Historic Preservation Act) no adverse effects letter. The primary concern is the North Wall next to the sluiceway.

Phase 3: The PUC reporting requirements for the dam safety report are completed and filed. Staff continues to work with the Lamoille County Planning Commission, Vermont Community Development Program, and Preservation Trust of Vermont for guidance and funding options on the stabilization of the Mill building. SED is working with SLR International, HL Turner Group, and French Development on the turbine feasibility study, sluiceway and headgate design, site improvements for streambank stabilization and hydraulic connectivity, and dam stabilization design.

Mike L is preparing the draft Notice of Intent to File for a Small/Low Impact Hydropower Exemption, and SED's FERC attorney are preparing the necessary permit filing.

SED has also been in touch with Barb Baraw from the Stowe Historical Society and the Historic Preservation Commission.

SED will be applying for the VLITE grant in December 2021 or March 2022 to help defray the costs. VLITE funding will also help Stowe Electric score higher on the Northern Border Regional Commission and Vermont Community Development Program Planning and Implementation Grant funding for the Moscow Mill project. SED hopes to have the hydro come online by the end of 2022.

Operations Report

Walter Oakes from Workplace Safety Solutions conducted the safety training this month. September continues to be busy for Operations. SED received a total of 24 new service orders and energized 10 new services. There are 5 UG projects to complete this year and the crews still have about 12 poles to set. Linemen have removed 13 danger trees along SED's transmission corridor, and several more to clear. Tree Trimmer crews are clearing SED's Right-Of-Way.

SED initiated 52 work orders and crews completed 47 work orders during the month of September. SED also received 88 DigSafes, for a total of 528 so far this year (vs 441 YTD in 2020).

The pole ownership in Stowe was discussed.

Regulatory Report

The previous month had activity at the Public Utility Commission and Department of Public Service on net-metering rulemaking updates, the Petition of GMP to modify their service territory to accommodate Global Foundries, and meetings with the Department and Efficiency Vermont regarding the 2022 Tier 3 programmatic plan. Stowe staff continues to monitor each PUC docket for impacts on Stowe Electric and our customers.

Staff has 3 groups of UVM Engineering students working on projects related to Moscow Mill. The students are working on various projects including the loading and redesign of the roof, alternatives to the sluiceway, and the design of the entire site (i.e. traffic, parking and turns). They are presenting their initial progress report in October.

SED to date has paid incentives for 1 used and 3 new all-electric vehicles, 5 new hybrid plug-in vehicles, 2 residential lawnmowers, 5 e-bikes, 9 water heater heat pumps, 121 heat pump rebates (95 cold climate heat pumps, 9 heat pump water heaters and 17 air source heat pumps). SED has \$325 remaining in its Tier 3 energy transformation projects budget.

Executive Summary (Personnel Matter)

The Board moved to go into Executive Session at 9:25 a.m. to discuss a personnel matter and invited Ellen Burt to stay. Ellen exited the Executive Session at 9:55 a.m.

The Board made a motion to come out of Executive Session at 10:06 a.m. and the motion carried.

No action was taken or motion made.

Other Business

The Board scheduled the next Commissioners' meeting for November 17th, but was later rescheduled for December 1st.

There being no further business, the meeting was adjourned at 10:06 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board