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MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION

Wednesday, March 11, 2020 – 5:30 p.m.

The regular meeting of the Burlington Electric Commission was convened at 5:30 p.m. on Wednesday, March 11, 2020 at the Burlington Electric Department, 585 Pine Street, Burlington, Vermont.

Commissioners present included Jim Chagnon, Bob Herendeen, Scott Moody, and Gabrielle Stebbins. Commissioner Bethany Whitaker was absent.

Staff members present included Paul Alexander, James Gibbons, Munir Kasti, Laurie Lemieux (Board Clerk), Betsy Lesnikoski, Paul Pikna, Darren Springer, and Emily Stebbins-Wheelock.

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. February 12, 2020 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the February 12, 2020 meeting; the motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

3. Public Forum

Present for the meeting was Mr. Thomas Melloni, Esq. from the Paul, Frank, and Collins law firm.

4. Commissioners' Corner

There were no questions or comments.

5. General Manager's Update

Mr. Springer stated that the next Commission Meeting, scheduled for April 8 falls on Passover. Mr. Springer asked if the Commissioners would be available on April 15. This date does not work for Commissioner Moody, the Board Clerk will reach out to Commissioner Whitaker to see if this date will work for her.

The Department is beginning work on the 2020-2021 Strategic Direction and expecting to bring a draft to the Commission at the May meeting with final approval at the June meeting.

As part of the City planning efforts, BED is taking part in a variety of preparations in regards to the coronavirus situation. The Department has been participating on calls with the Mayor and Department Heads and a variety of local partners, including the UVM Medical Center. Mr. Alexander and Ms. Stebbins-Wheelock have been working internally on putting together a *Continuity of Operations Plan* for a variety of scenarios. Currently we are operating under *business as usual* and will take the City's lead if changes are determined.

BED's 2019 Performance Measures Report (PMR) was ready for Town Meeting Day. This report provides BED's updates on safety, electric rates, customer service, reliability, generation, and energy efficiency, and focuses on Net Zero Energy. Also included in the PMR are key metrics from the Roadmap, BED incentive programs, and a new section on strategic electrification. Mr. Springer is looking forward to presenting the PMR to the City Council with Commissioner Stebbins at a June meeting.

Mr. Springer stated that BED presented at Monday's City Council on Net Zero Energy related to City operations. This included City buildings, along with the Mayor's announcement of using an internal price of carbon at \$100/ton to evaluate fleet purchases. Presenters included Mr. Springer, Mr. Chris Burns, and Ms. Martha Keenan from DPW.

Our program EVmatch has received some media coverage lately. This program was developed to have chargers located primarily at multi-family buildings and made available to tenants, renters, and condo units. This program includes ensuring that these chargers are available to the public during certain times each day. This program is a result of DeltaClimeVT, formerly known as Accel-VT. BED is looking forward to hosting a new cohort with DeltaClimeVT that is set to begin in the next month.

The energy efficiency modernization bill that would allow BED to access a portion of the Department's electric efficiency funds for new programs that support Net Zero Energy initiatives passed the Senate Natural Resources Committee unanimously and also passed the Finance Committee. This bill should be headed to the Senate floor either late this week or early next week. Currently the RES and Ryegate bills maintain BED's important exemptions from certain state mandates.

BED met with Green Mountain Transit (GMT), and we are looking at supporting a GMT grant application for an additional E-Bus for FY21. BED also provided a letter of support that indicates our willingness to provide a Tier 3 incentive for that procurement.

The Department presented on Monday to the Board of Finance and City Council the next tiering packet, which focuses on the Line Crew and the packet was unanimously approved. This approval will allow BED to be in a more competitive position relative to other utilities when hiring qualified line workers.

Commissioner Stebbins stated that it was helpful to see the Net Zero Roadmap that showcased all

the City Department efforts. This report mentioned significant savings at Leddy Arena, and Commissioner Stebbins asked what the actual saving were. Mr. Springer stated that this information is on the BTVStat Dashboard, which can be accessed through the City's website.

Financials

Ms. Stebbins-Wheelock, Manager of Strategy and Innovation, reviewed the January 2020 year-to-date financial results.

Ms. Stebbins-Wheelock stated that January was a net income loss month as projected. However, the loss was not as great as originally estimated. Contributing factors included revenues that were less than budgeted and expenses that were less than budgeted. Also, a drop in sales to customers can be attributed to greater heating degree days.

Capital spending is approximately 36% of budget for the year due to timing. The budgeted upgrade of the Winooski One control upgrade has been deferred to May-June, and the Gas Turbine major overhaul has been delayed. Also the IT Forward program was budgeted throughout the year with year-to-date expenses of \$276,500 compared to a budget of \$976,000.

The expense variance is attributed to retirement of assets being less than budgeted. The Department has billed for work done on the Great Streets St. Paul Street Project that had not been budgeted for in this fiscal year. Overall, we still are tracking the net income, which is above budget for the full year.

The \$3.5M general obligation bond proceeds were received in December, and this month includes a transfer from the Renewal and Replacement Fund. Therefore, cash on hand increased to 123 days.

6. Supplemental Resolution No. 15 – Amendment

Mr. Thomas Melloni, Esq. from Paul, Frank, and Collins explained that in 1981 the Board of Electric Commissioners adopted a general bond resolution pursuant to which all BED revenue bonds have been issued. For FY18, BED was required to file its annual audit within a four-month time period after the end of the fiscal year. Due to pension obligations and liabilities, there was a delay in finalizing and filing the audit. BED management filed notices to the bond holders informing them that this filing would be late. Mr. Melloni explained that there is a 60-day cure date provided and that the audit was filed at the end of January 2019, which was two days after the cure period. Prior to the filing, the bond trustee issued a notice of default and notified the bond holders. Since this time, we have been working with the bond trustee and its counsel on a resolution. The first step was to seek the consent and approval in a waiver of the default. In November/December, the Bond Insurer issued its consent and waiver of default.

Mr. Melloni stated that, after review of the 1981 resolution, he recommends that the Board consider adopting the amendment presented at this meeting.

Commissioner Moody hereby authorizes the amendment of the General Bond Resolution, subject to approval by the Owners of the Outstanding Bonds, with respect to the delivery by the City of its

annual financial statement, to waive a past event of default, and other changes described with the resolution amendment; the motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

7. Wood Procurement Purchasing Procedure Policy

Mr. Gibbons stated that several meetings were held regarding the development of the McNeil Wood Purchasing Procedure Policy and that BED is presenting a draft of the Procedure Policy for Commissions review.

Mr. Gibbons explained that the purposes of this policy is to ensure that McNeil has access to fuel when needed, that reliable suppliers are given preference, and that there is a mechanism for new suppliers entering the wood procurement process. Mr. Gibbons reviewed some of the general procedures, including the types of contracts that will be offered. Mr. Gibbons highlighted the qualifications that are required when being awarded wood procurement contracts.

Mr. Gibbons closed the presentation stating that there is still work to be done and welcoming any comments or suggestions from the Commission. Once the final Purchasing Procedure Policy is complete, it will be distributed to the Commission.

8. Safety Matrix Update

Mr. Alexander stated that there are several Workers' Compensation indicators that the Department tracks, including the Lost Time Incident Rate (LTIR) and the Lost Time Severity Rate (LTSR), both of which get reported annually to the Public Utility Commission (PUC) for its Service Quality and Reliability Plan (SQRP).

For comparison purposes, both the LTIR and LTSR use 200,000 person hours annually (calculated by 100 workers x 40 hours x 50 weeks), which standardizes the metrics.

Mr. Alexander reviewed the historical LTIR and LTSR from 2013 to 2019 along with the state-determined SQRP targets.

BED's LTIR for 2019 was 0.89 accidents, which is well below the PUC target rate of 3.5/accidents per year.

BED's LTSR for 2019 was 78.2 days of lost time, which is just slightly higher than the PUC target rate of 71 days of lost time.

Mr. Alexander stated that one injury alone may cause the severity numbers to jump significantly.

9. Commissioners' Check-In

Commissioner Stebbins suggested that, if the Commissioners had anything to discuss, it could be done before entering into Executive Session. This would allow staff and the videographer to go home.

There were no Commissioner check-ins at this time.

10. Moran Plant Update

Mr. Springer stated that, due to ongoing discussions with the City regarding Burlington Electric Department's role in the Moran Plant reconstruction, we are unable to disclose this information publicly at this time, requiring this briefing of the Commission to be in Executive Session.

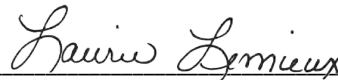
Commissioner Chagnon moved to find that premature general public knowledge regarding Burlington Electric Department's role in the Moran Plant reconstruction would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; this motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

Commissioner Chagnon moved that the Commission enter into executive session at 6:53 pm with BED Staff to discuss the briefing under the provisions of Title 1, Section 313(a) (1) (A) of the Vermont Statutes; this motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

Commissioner Moody made a motion to exit executive session at 7:27 pm; the motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

Commissioner Moody moved to adjourn the meeting at 7:28 p.m. This motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

Attest:



Laurie Lemieux, Board Clerk