

Minutes:

Stowe Electric Commissioners' Meeting
February 10, 2010 7:45 a.m.

Present:

Art Lloyd, Chairman; Denise Gutstein, Vice Chairman; Richard (Dick) Marron, Commissioner; Ellen Burt, General Manager; Pat Householder, Controller; Steve Lambert, Superintendent of Operations; Ed French, SED Attorney; Dawn Haslam, Clerk of the Board, David Jaqua, Guest

Art called the meeting to order at 7:45 a.m.

Approval of the January 13, 2010 Minutes

Dick moved to approve the January 13, 2010 Minutes, Denise seconded the motion and the motion carried.

Office Space

Ellen began by reviewing the handout included in everyone's packet of the Peak Building (old Food for Thought Building) layout and proposed cost of relocating the SED office. She explained that initially we will have a two-year lease. The building is ready to move in today and is in addition already wired for our demand meter. We have a quote from Sargent's Moving of \$3,400.00. The office staff will box up the files in the basement as well as the upstairs offices. The current plan is to have the operating crew be responsible for moving all boxes and equipment from the basement to the Peak Building during the work weeks prior to the move. The moving company will then relocate the upstairs office equipment and boxes to the Peak Building on a weekend. Ellen told the Board that an approximate June 2010 move date is anticipated. Art noted that we will need to give public notice of our relocation through the local papers, post a notice at the Municipal Building, include a message in our bills, and post a message to our front door.

ARRA (Stimulus) Grant

Ellen referenced an e-mail from Randy Pratt of Vermont Electric Cooperative (VEC) showing SED's stimulus figures. She explained that she and Pat had a meeting with VEC.

The possibility of SED working along with VEC was discussed since they are currently the only utility in the State of Vermont that has implemented Automatic Meter Interface (AMI). We are waiting to hear back from VEC as to whether they can work with us. Ellen told the Board that she has also contacted an AMI consulting company in Maryland to explore working with us if VEC is not. DOE has not announced how or when the funds will be disbursed.

Dick noted the e-mail referred to 2,100 residential meters and 40 commercial meters. He wanted to know if the 40 commercial meters listed reflected the actual number of SED's commercial accounts. Ellen explained that there are more than 40 commercial accounts and that the number 40 was an estimate of commercial meters. The actual number could change as they were chosen for AMI on the basis of the greatest impact to the system. She told the Board that the consultant we choose will help SED analyze where it will be most beneficial to place the AMI meters.

Pat added that SED will need to hire additional support for record keeping of this grant because of its detail reporting requirements. Denise asked if this would be a full-time position. Pat said there are two skills required for the grant. One would be to do engineering, the other to do record keeping. We are going to try and get one person for both jobs, if at all possible.

Executive Session

Art moved to go into Executive Session at 8:36 am to discuss various legal matters; Dick seconded the motion and the motion carried. Denise moved to come out of Executive Session at 9:17 am; Art seconded the motion and the motion carried. The Board authorized Ellen to negotiate a lease agreement on the Peak Building as rental space for the SED offices.

Other Business

Ellen informed the Board that the decommissioning of the Luce Hill substation has been completed. She is currently working on the insurance claim with the Vermont League of Cities and Towns and will report on the status of the claim at the next Commissioner's Meeting.

Guest David Jaqua

Mr. Jaqua stated that he wanted to make it clear that he initially became interested in SED matters because his brother-in-law came to him with research questions regarding

the proposed new operations center that appears to no longer be an issue. He also noted that the fact that the Operation Center is no longer an issue did not deter his continued interest in SED.

David addressed three issues. First, he referred to an article in the News & Citizen quoting Ellen, which was the first public notice of the subject. He discouraged SED holding meetings behind closed doors, and encouraged SED to reach out and let the public be aware of these situations, if at all possible.

Secondly, he noted that he visited the Town of Stowe's website to view the current Agenda but only found the Agenda for a previous meeting uploaded. Ellen told him she would check with the Town and correct the error for future meetings. It was the understanding of SED that each Agenda was posted to the website as soon as available and that the Minutes were posted on the website for public view after all Board meetings. Mr. Jaqua said he felt we have the organizational capacity to follow through on reasonable commitments to Stowe citizens. He said there was no witch hunt in his concerns; just a request for follow-through.

His third concern was the continued battle with the Public Service Board. He told the Board that he went to the PSB website and noted its continued concern regarding SED's financing. His personal thoughts were that by reading the articles on the PSB website it appeared that there may be bad blood between the PSB and SED. He said it seemed to him that they were almost trying to pick a fight with SED over the use of the \$4.0 million that was raised, paying off the Union Bank line of credit with earmarked money to be used for a combination of facilities and improvements SED was to make, etc. He asked if this had anything to do with Burlington Telecom and the focus on their compliance with stipulation 60.

Art addressed David's question, stating that SED can only speculate on the motives of the PSB. He said it has been thought that it could be related to their sensitivity regarding Burlington Telecom issues. He stressed that SED cannot discuss the details of our strategy, but we believe that everything SED did was appropriate and simply good financial management.

Dick commented that from a cash management perspective SED came out \$48,000 ahead. The audited financial statement for the Town of Stowe which was presented to the Selectboard contains pertinent detailed information concerning all aspects of SED's financial standpoint.

David pointed out that when you look at the purpose of the \$4.0 million dollar bond it was not to pay for legal fees, yet that is what happened. He commented that it almost felt like a bait and switch situation.

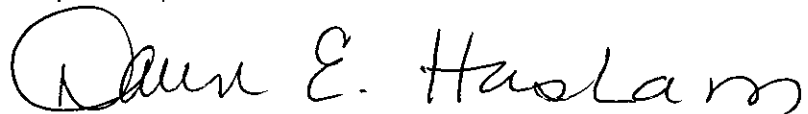
David added that from his point of view in looking at SED's future we should consider what our world would look like if we were with, for example, GMP? Dick commented that just to clarify, if SED was having conversations with a publicly traded company, it would have to be behind closed doors. He also clarified that the Board is not in negotiations with any other utility.

David interjected there was no hidden issue in his concerns and appreciated SED's sharing of information. If there were going to be discussions about SED's future it would be pertinent to invite the public because people are very interested in helping and being a part of the process. Art added that David and/or any other Stowe citizen are welcome to visit any or all Commissioners' meeting. He stated that if David had a question, please just ask it, if we can dialogue it, we gladly will, and if we cannot, we will tell you that as well. David thanked the Board and excused himself.

All agreed that the next Commissioners' meeting would be held Wednesday, March 10, 2010 at 7:45 a.m.

There being no further business the meeting was adjourned at 9:20 a.m.

Respectfully submitted,



Dawn E. Haslam
Clerk of the Board