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**MINUTES OF REGULAR MEETING**
**BURLINGTON ELECTRIC COMMISSION**

**Wednesday, December 17, 2014 – 8:00 p.m.**

The special meeting of the Burlington Electric Commission was convened at 8:00 p.m. via conference call on Wednesday, December 17, 2014.

Neale Lunderville was present at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont.

Commissioners Spencer Newman, Bob Herendeen, Mark Stephenson, and Gabrielle Stebbins were present via conference call.

Staff members included on the conference call included Ken Nolan, John Irving, Paul Alexander and Tom Buckley

Other staff members on the conference call included Laurie Lemieux, Temporary Clerk.

Commissioner Newman called the meeting to order at 8:05 p.m.

**1. Agenda**

There were no revisions to the agenda.

**2. Minutes of the November 12, 2014 meeting**:

Commissioner Herendeen asked that a couple of revisions be made in item 3, Public Form. The first revision should indicate that Mr. Archambeau did address the Commission and the change in the minutes will reflect the present tense. Also Ms. Sullivan and Mr. Rinebold are working on Street Lighting issues and not on a Capstone Service Learning Project as indicated in the minutes. Commissioner Herendeen asked for a change in item 5, General Manager's Update, 2nd paragraph. The new sentence will read Commissioner Newman asked where the consumer website stands and wanted to make sure that the website remains user friendly. The word "facing" was removed from the sentence.

Commissioner Herendeen moved to accept the minutes as amended for the November, 2014 meeting. The motion was seconded by Commissioner Stephenson and approved by all Commissioners present.

## 3. Public Forum

Gregory Roy was present from public at Burlington Electric Department.

## 3.5 General Manager's Update

Mr. Lunderville apologized to the Commission for not updating them sooner regarding a visit from John M. Floyd & Associates (JMFA). Mr. Lunderville intended to update the Commission at the December 10, 2014 meeting which was cancelled due to weather.

Beginning Monday, December 15th, a team from JMFA has been onsite to meet with employees and to conduct a preliminary assessment of our organization. JMFA will look at the business processes, technical pieces of our organizational structure, HR structure, and look to see how BED performs relative to other utilities and organizations with a mind toward cost savings and improved customer service.

JMFA have met with approximately 24 employees, 3 Commissioners, the Mayor and the Mayor's Chief of Staff.

JMFA will produce for BED a summary of their observations and recommendations. This summary will be delivered to the BED Management Team on Friday and will then be shared with the Commission and with BED staff.

This plan stems from the initial directive from the Mayor when Mr. Lunderville was first appointed Interim General Manager. This directive was to look at the organization closely to make sure that BED is working as cost effectively as possible. To look at the billing issues as well as the IT issues. We have areas that can be done better and more efficiently and BED would benefit by getting the perspective of an outside group.

Looking at the 5 year forecast, BED is looking at a budget gap going into FY 16/FY17 and JMFA will give BED a head start in areas where we can save costs without impacting savings or customer service.

## 4. Commissioners' Corner (Discussion)

Commissioner Herendeen reported on a discussion with Jan Shultz regarding UVM.
Mr. Lunderville responded that he has scheduled a meeting with Jan Shultz and Harry Atkinson the first week in January to discuss district heating. Their initial response to BED indicated that UVM was not optimistic about this project but they will have this meeting with our team to discuss the options. Commissioner Stebbins asked if it would be helpful if members of the commission also attended this meeting. Mr. Lunderville would be pleased to have 1 or 2 commissioners attend and will let Commissioner Stebbins know what the exact day the meeting is scheduled.

Commissioner Herendeen met with Greg Meyer, Assistant City Attorney last Thursday to discuss lighting issues and asked Mr. Meyer to review a lighting document written by a VLS student. After reviewing the document, Mr. Meyer stated BED may be moving hard on the lighting issue. Commissioner Herendeen stated that the commission has authorized looking into the lighting issue but stated that a report has not been presented to the Commission. Commissioner Herendeen stated that the students that attended the November 12, 2014 Commission Meeting (Megan Sullivan and Geoff Rinebold) meeting may be presenting their findings at the February 2015 Commission Meeting.

Commissioner Herendeen informed the Commission that a new Illuminating Engineering Society Standard was published in October and Commissioner Herendeen will try and obtain the new IES Standard. Mr. Lunderville stated that if Commissioner Herendeen was unable to obtain the new IES Standard, to let Laurie Lemieux know and BED will purchase the new Standard.

**5. McNeil Station 2015 Calendar Budget**

John Irving presented the McNeil Station. A draft budget was presented to the Commission at the November 12, 2014 meeting, but since that time there have been a few minor changes.

Mr. Irving began by presenting the operating portion of the budget first. McNeil plans to burn more wood in 2015 at a slightly higher price. This result is an increase in the cost of the wood fiber itself to 1.6 million; it also drives up the cost of transportation, ash handling and associated costs of burning more wood.

The major change since last month is the purchase of a new front end loader. When presenting the budget at the last meeting McNeil was planning on leasing the new loader, but after review it seems that purchasing the loader instead of leasing would be more cost effective. This results in a $104,105K reduction from the budget presented at the last meeting. The other major change in the budget is in the 511 account under structure. There was a significant increase from last year. This is due to a complete overhaul of the elevator, which has not ever been done.

Capital Budget

The capital budget has increased significantly this year; it has gone from 1.4 million to 2.6 million. The biggest expenditure is the super heater replacement at a cost of approximately 1 million.

Also in the capital budget is the proposed Railroad Spur, $200K has been allocated to increase the capacity factor of the plant by using more train loads of wood. McNeil plans to utilize the rail siding fund, where the railroad agrees to pay 1/3; the owner (McNeil) pays 1/3 and the State would pay 1/3 of the cost. Due to the uncertainty of what the Rec's are going to do we are reluctant to commit, but it's in the budget if McNeil chooses to move forward.

Commissioner Herendeen moved to approve the McNeil Station Proposed FY 15 Calendar Budget. The motion was seconded by Commissioner Stephenson and approved by all Commissioners present.

**Executive Session**

**Multi-year Class II REC Purchase**

It was suggested by Commissioner Stephenson that it would be helpful to have the proper language to use when going into Executive Session. Mr. Lunderville will write up the language and send to the Commission.

Commissioner Herendeen moved that premature general public knowledge of the Multi-year Class II REC Purchase and would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes. The motion was seconded by Commissioner Stephenson and approved by all Commissioners present.

Commissioner Stephenson moved that the Commission go into executive session at 8:41 p.m. to discuss the Multi-year Class II REC Purchase and under the provisions of Title 1, Section 313(a)(1)(A) of the Vermont Statutes. The motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

Commissioner Stebbins moved to exit Executive Session at 9:15 p.m. The motion was seconded by Commissioner Stephenson and approved by all Commissioners present.

Commissioner Herendeen moved to adjourn the meeting at 9:16 p.m. The motion was seconded by Commissioner Stebbins and approved by all Commissioners present.

Attest:

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Laurie Lemieux, Temporary Clerk