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FINAL

TO: All Attending

FROM: Colleen Rouille

DATE: October 13, 2015

SUBJECT: McNeil Station Joint Ownership Operating Committee Meeting Notes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 12:05 a.m. on Tuesday, October 13, 2015 at the McNeil Generating Station Farmhouse.

PRESENT:	N. Lunderville, BED	A. Parah, BED
	D. Mullett, VPPSA	B. Lesnikoski, BED
	D. Smith, GMP	C. Rouille, BED
	J. Gibbons, BED	L. Lemieux, BED
	D. MacDonnell, BED	

1. Agenda

Mr. Smith moved to add potential impact of the proposed TDI line to the Agenda as item 7.5. Mr. Smith then moved to add a plant status update to the Agenda as item 7.6.

2. Review of Joint Owner Operating Committee Meeting Notes of July 14, 2015

Mr. Smith made a motion to approve the minutes, Mr. Lunderville seconded the motion.

3. Public Forum

There was no one present from the public.

4. Overview of Operating and Generating Reports July, August, and September, 2015

Mr. MacDonnell summarized the reports for the last three months. In July we had an equivalent availability of 100 percent which is the first time since November, 2008. In July there were interviews for the open position of Shift Supervisor. The position was filled by Mr. Robert Mann from Maine. There were internal postings for the two Station Operator positions and the Wood Yard Operator position. One Station Operator was filled by an internal candidate. On August 28th, 2015, Chief Forester Bill Kropelin retired and was replaced by Betsy Lesnikoski. In September, 2015 the plant was offline on three separate occasions. There was a transmitter failure on September 8th, a steam leak on September 13th that shut down the plant for a half day, and a coupling on the ID fan failed on September 15th that shut the plant down for two weeks. September 30th was the last day of work for those taking the buyout with one exception, one of the McNeil Station Operators will stay on until a new operator is fully trained.

5. Fuel Procurement Update

Chief Forester, Ms. Lesnikoski reported that the plant being down for two weeks was beneficial in the fact that it allowed the McNeil plant to build up its inventory. Ms. Lesnikoski stated that we are in a good position to go into the winter months. Ms. Lesnikoski explained that since the plant has been online McNeil has been holding steady with the inventory. Many power plants have become full with their inventories. Ms. Lesnikoski updated the joint owners on the Emerald Ash Borer quarantine area and stated that Vermont has not been affected to date. Ms. Lesnikoski brought a kit to show what the Emerald Ash Borer looked like and examples of the wood it has tunneled into. It takes a long time from when the insect is in the tree to when the tree dies which is why it is hard to detect. Ms. Lesnikoski has been working with New York to ensure our wood suppliers are compliant with the USDA requirements.

6. Financial Review

Ms. Parah reported that the auditors have completed their visit with a positive outcome. Inventory was a slight issue but is being addressed and progress has been made. Mr. Mullet asked what the Risk Management fees were in the financial report and it was explained that the fees are what the City of Burlington charges McNeil. Ms. Parah reported that as of September, 2015 the McNeil Station Income/Expense Analysis show that the plant is currently under the budgeted amount by 5.7%. That includes the 501 Fuel Account. The Calendar Year 2015 Budget includes the costs for the BED Reorganization Voluntary Buyout. Ms. Parah said without the fuel expense the plant would be over budget by 21.7%. Most of this is due to the voluntary buyout expense but also due to some issues during the plant shutdown. There was a rebuild on the boiler grates, reclaimer repairs and a section of the stainless steel floor for the live bottom needed to be replaced. Also noted was a turbine vibration issue which affected the 513 account.

7. BED Reorganization/Voluntary Buyout

Mr. Lunderville reported that there were a total of 23 people that took the Voluntary Buyout. All have left BED but four, and two will remain until the end of this month. One of those positions is the Station Operator who will not be leaving until the end of the year. The final reorganization plan will proceed to the Board of Finance and the City Council for approval at their next meeting. McNeil has had a smooth transition with the positions that have been vacated because of the Voluntary Buyout. Mr. MacDonnell has transitioned well into the position of Director of Operations and Ms. Lesnikoski into the Chief Forester position. Mr. Smith asked how much of an employee reduction there has been. Mr. Lunderville said pre-buyout the Department had 133 employee positions and post-buyout the Department has 120 positions making it close to a 10% reduction.

7.5 Proposed TDI Line

Mr. Gibbons, BED reported that there was some confusion at the commission level between the arrangement between BED and TDI and the potential impact at McNeil. TDI said it will lower the LMP's statewide and because of the way we buy and sell power it could affect the price we could potentially sell McNeil. We filed testimony that said reducing LMP's possibly would not help BED. The testimony was heard and BED agreed to a MOU that would give us information on any system impact study that TDI does.

7.6 Plant Status Update

Mr. MacDonnell reported that the plant as a whole is being maintained well. McNeil is always looking at new technology to keep up with the times and are diligent in doing plant inspecting and maintenance so that the plant is available when called on. Mr. MacDonnell stated the plant has the right personnel and equipment to adapt to the times. Mr.

Lunderville then noted that it is important that there is adequate staff to operate the plant. BED strives to be a good employer to keep the quality staff that McNeil currently has. Ms. Lesnikoski also reported that the plant has an established broad network of suppliers and McNeil is in good shape. Mr. Lunderville stated that keeping a watch on the REC market is important and BED is watching that closely.

8. New Business

There was no discussion.

9. Schedule for Next Meeting

The next Joint Owner meeting is scheduled for December 8, 2015 at noon at the McNeil Station Farmhouse, with an alternate date of Tuesday, December 7, 2015.

10. Meeting Adjourned

Mr. Mullet moved to adjourn the meeting at 1:20 p.m. The motion was seconded by Mr. Lunderville and approved by all Joint Owners present.