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FINAL

TO: All Attending

FROM: Helen Coombs

DATE: July 16, 2015

SUBJECT: McNeil Station Joint Ownership Operating Committee Meeting Notes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 11:45 a.m. on Tuesday, July 14, 2015 at the McNeil Generating Station Farmhouse.

PRESENT:	N. Lunderville, BED	B. Kropelin, BED
	D. Mullett, VPPSA	B. Lesnikoski, BED
	D. Smith, GMP	A. Parah, BED
	J. Irving, BED	J. Gibbons, BED
	D. MacDonnell, BED	H. Coombs, BED

1. Agenda

Mr. Lunderville moved to add Floyd and Associates to the Agenda as item 7.1.
The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

2. Review of Joint Owner Operating Committee Meeting Notes of April 1, 2015

Mr. Mullett asked that a correction be made on page 3, fifth line down, the last sentence should read: "The Joint Owners also gave their thanks."

Mr. Mullett, VPPSA, moved to approve the Joint Owner Operating Committee Meeting Notes of April 1, 2015 as amended. The motion was seconded by Mr. Lunderville, BED, and approved by all Joint Owners present.

3. Public Forum

There was no one present from the public.

4. Overview of Operating and Generating Reports March, April, May and June 2015

Mr. Irving summarized the reports for the last four months. During the McNeil Station annual outage in April and May of this year some of the main projects were replacing the boiler superheater tubes, rebuilding the east boiler grates, adding a third water supply well, and rebuilding the cyclone ash conveyor.

5. Fuel Procurement Update

Chief Forester, Bill Kropelin reported on wood fuel deliveries and the impact of recent high amounts of rain on operations in the woods. Mr. Kropelin then introduced Wood Procurement Forester, Betsy Lesnikoski. Ms. Lesnikoski explained the significance of a recent expansion of the Emerald Ash Borer quarantine area to include all of New York State. BED has been working with the USDA Animal and Plant Inspection Service inspector to be sure our New York based fuel suppliers meet requirements to export woodchips to Vermont.

6. Financial Review

Ms. Parah reported that as of May, 2015 the McNeil Station Income/Expense Analysis show that we are currently under the budgeted amount by 9.7%. That includes the 501 Fuel Account. The Calendar Year 2015 Budget does not include costs for the BED Reorganization/Voluntary Buyout.

Mr. Irving said that we are over budget in the 512 Boiler Plant account primarily due to the extensive boiler grate repairs. The Fuel Account is under budget by 12.4% due to lower fuel usage than anticipated. Mild wet weather reduced wood availability and energy required.

7. *BED Reorganization/Voluntary Buyout*

Mr. Lunderville moved to find that premature general public knowledge of McNeil Station's participation in BED's Voluntary Buyout plan and related personnel changes would clearly place the Joint Owners at a substantial disadvantage, per Title 1, Section 313(a)(1) of the Vermont Statutes. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

Mr. Lunderville moved that the Joint Owners enter into Executive Session to discuss the aforementioned Voluntary Buyout and personnel updates for the McNeil Station under the provisions of Title 1, Section 313(a)(1)(A) and (B) of the Vermont Statutes. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

The Joint Owners moved into Executive Session at 12:35 p.m.

Mr. Lunderville moved to exit Executive Session at 1:05 p.m. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

Mr. Lunderville said that during the Executive Session there was discussion about the Voluntary Buyout and changes in leadership and he informed the Joint Owners that he will be recommending Dave MacDonnell as John Irving's successor as McNeil Station's Plant Manager. Mr. Lunderville feels that he is the correct person and has had strong recommendations for Mr. MacDonnell's move to become Manager of the McNeil Station from both Mr. MacDonnell's superiors and employees.

Mr. Mullet, VPPSA, moved to support the recommendation by BED to move Mr. MacDonnell into the position as Plant Manager of the McNeil Station. The motion was seconded by Mr. Smith, GMP, and approved by all, with Mr. Lunderville abstaining. Mr. MacDonnell thanked the Joint Owners for their confidence in his ability to manage the McNeil Station.

7.1 *Floyd and Associates*

Mr. Lunderville reported that he intends to sign a contract with John M. Floyd and Associates to conduct a bottom-up review of McNeil. This assessment and its finding will help McNeil management to improve procedures and processes, as well as make the plant more efficient and cost-effective to operate. The review will begin the week of July 20th.

New Business

There was no discussion.

Schedule for Next Meeting

The next Joint Owner meeting is scheduled for Wednesday, September 23, 2015 at 10:00 a.m. in the McNeil Station Farmhouse, with an alternate date of Tuesday, September 29, 2015.

Meeting Adjourned

Mr. Lunderville moved to adjourn the meeting at 1:15 p.m. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.