

1 **III. ASHLAND ELECTRIC DEPARTMENT 5 YEAR FINANCIAL FORECAST –**

2 consultant Dick Joyce provided the Board of Selectmen with a five-year financial forecast for
3 the department. By using a conservative approach with the forecast the expectations are over
4 the next five-years net income will rise for the department. Cash flow increase in years 2021 –
5 2023 with the expiration of debt obligations and the power purchase expense decreasing from
6 the adjustment to the forward capacity market.
7

8 **IV. ASHLAND ELECTRIC ENERGY PURCHASES –** the department has locked in energy
9 prices through December 2022. Since the commitment AED has purchased 2,028 megawatt-
10 hours (MWH) more than it requires and energy prices have decreased from \$50.95/MWH to
11 approximately \$42.00/MWH. Based on the current power prices, Dick Joyce recommended
12 the Board lock in 2023 and 2024 energy prices for AED. Based on the volume and
13 anticipated prices AED could reduce energy costs approximately \$338,000 compared to 2020.
14 Dick provided the Board with an analysis that compared AED’s purchased MWH’s versus
15 amount sold. As an independent analysis Dick also illustrated his analysis of power
16 purchasing for AED against the one provided by Vermont Public Power Supply Authority
17 (VPPSA) – Ashland’s power purchase broker. Results were quite similar. Board agreed to
18 have VPPSA bid for 2023/23 power purchase.
19

20 **MOTION:** Selectman Badger

21 *To have VPPSA go out for energy purchase bids for years 2023 and 2024 with a strike price*
22 *anything below \$45/MWH.*

23 **SECOND:** Vice Chairman DeWolfe

24 **DISCUSSION:** N/A

25 **VOTE:** 5-0

26 **MOTION PASSED**
27

28 **V. ASHLAND ELECTRIC DEPARTMENT 2020 RECOMMENDATIONS –** consultant
29 Dick Joyce provided the Board with a list of items the department can focus on in 2020.
30 Areas such as; commitment to employee and public safety, long term staffing for line
31 operations, capital planning, inspection of utility poles, identify equipment needs, and initiate
32 remote meter reading program.
33

34 **VI. NEXT BOARD MEETING –** October 9th, 2019 at 4 p.m. in the Ashland Water & Sewer
35 Conference Room.
36

37 **VII. ADJOURNED –** Board adjourned their meeting at 5:40 p.m.
38

39 *Town Manager Charles Smith wrote these meeting minutes on October 2, 2019.*