

# VERMONT ECONOMIC DEVELOPMENT AUTHORITY

## Minutes

April 29, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on April 29, 2022, beginning at 9:32 a.m. Members present in VEDA's office were: D. Kurzman, Acting Chair; T. Gallagher and B. Pearce. Members present via video conferencing were: A. Eastman (designee for A. Tebbetts); L. Graves; S. Voigt; K. Hale; T. Collier; R. Shippee; J. Goldstein (designee for L. Kurrle); A. Gagner-Murphy; C. Carpenter and M. Snyder. Staff present in VEDA's Montpelier office were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; J. Emens-Butler, Director of Closing; S. Croft, Deputy Director of Commercial Lending; Senior Loan Officers: M. Dussault and A. Wood; A. Wright, Executive Assistant and Office Manager and K. Kilpatrick, Administrative Assistant. Staff members present via video conferencing were: H. Hook, Senior Accountant and Loan Officers: E. Hall; C. Blais and C. Leonard. Also present: A. Martini and K. Moussette, Partners at Hinckley Allen. Member E. Delhagen (designee for J. Tierney) and Loan Officers M. Corbett and E. Paradee joined the meeting later via video conferencing. Those Members present constituted a quorum.

### CEO's Report

C. Polhemus opened her report noting D. Kurzman will be stepping off the Board when his term expires June 30, 2022, noting his wisdom and counsel during his tenure has been invaluable. She asked Members to contact her with their ideas for recruitment as well as expertise that would be nice to have in a new Board Member.

At 9:35 a.m. M. Corbett and E. Paradee joined the meeting.

C. Polhemus thanked B. Pearce for her support of the VEDA Bill that was passed and signed by the Governor. Changes within this Bill will be implemented into the VEDA Loan Policy as early as next month. Next, C. Polhemus reviewed the status of the VEDA Forgivable

## VEDA Minutes – April 29, 2022

Loan Program, noting the loan program is now part of S.11 which is working its way through the legislature. She noted much discussion about this program focuses on VEDA's ability to be flexible in looking at the needs of applicants. C. Polhemus will keep the Members apprised of the bill's status.

C. Polhemus continued her report noting the SSBCI funding is stalled in Congress. She noted the State of Vermont's application for funds was received and is being reviewed.

C. Polhemus then explained results from a recent staff survey, noting staff is feeling engaged in their work and VEDA's mission resonates with staff. She explained the survey revealed communication and culture were areas in need of work. These areas will become part of the Strategic Plan. She explained this survey will work as a baseline for future employee surveys.

C. Polhemus continued, noting staff will remain in a hybrid of remote and onsite working, based on each employees needs/work requirements. She then noted she would like to hold in person Board Meetings on at least a quarterly basis. Discussion ensued with Members voicing their desire to meet in person more often, noting the importance of interactions with staff and other Members.

C. Polhemus ended her report noting staff had completed the third installment of DEI&E training with Rodney Patterson. She explained the meeting was held in person and though the day was long, it was much more beneficial than meeting via Teams.

### Member Area Review

J. Goldstein updated the Members on current legislation, noting the attempts to get more of the economic recovery money funded has a potential path forward, though it is experiencing much flux. She echoed C. Polhemus' comments, noting the U.S. Treasury's review of Vermont's application for SSBCI funding is a good sign.

### Conduit Bond Issuer Training

C. Polhemus introduced A. Martini and K. Moussette, noting both have worked with VEDA for a long time. She explained they will be reviewing the responsibilities of Members in conduit bond transactions.

At 10:00 a.m. K. Hale and M. Snyder left the meeting.

At 10:03 a.m. E. Delhagen joined the meeting.

VEDA Minutes – April 29, 2022

A. Martini and K. Moussette then reviewed the financial, procedural, and legal aspects of a tax-exempt bond financing from a Board of Directors viewpoint. The presentation began with an explanation of a tax-exempt bond and the benefits to borrowers.

A. Martini and K. Moussette continued, making note of VEDA’s governing act which enables the lending of tax-exempt bonds and specifies which type of borrower qualifies for these bonds. K. Moussette then noted tax-exempt bonds lending is very broad and allows for assistance to any number of borrowers. She then noted the general exceptions to the lending policy.

At 10:33 a.m. K. Hale rejoined the meeting and A. Gagner-Murphy left for the remainder of the day.

K. Moussette continued, noting these bonds must be approved by the Governor and the State Treasurer. A. Martini explained VEDA is an intermediary in these transactions with neither VEDA nor the State of Vermont taking on any credit risk.

A. Martini and K. Moussette continued with the training – covering different aspects of bonds, necessary documents, and bond counsel’s role in the process. Discussion ensued regarding bond inducements and final approval by the Board.

Consent Agenda

Approval Items

1. Minutes of March 25, 2022
2. Small Business Loan Review Report

Informational Items

3. Strategic Plan – Quarterly Update
4. Outstanding Loan Review Items – Quarterly Update
5. Staff Authority – Other Business
6. Staff Authority – Affiliate Loan Programs – Loan Approvals

<b>Name</b>	<b>Town</b>	<b>Program</b>	<b>Loan Amount</b>
Vernon Advent Christian Home	Vernon	CWSRF	\$10,000
Okemo Village Owners’ Association, Inc.	Ludlow	DWSRLF	\$95,000
Vernon Advent Christian Home	Vernon	CWSRF	\$55,700

VEDA Minutes – April 29, 2022

T. Collier inquired about a loan included on the Small Business Loan Review Report. S. Croft provided information to answer all questions.

On a motion by S. Voigt, seconded by T. Collier, the consent Minutes of the March 25, 2022 VEDA meeting and the Small Business Loan Report were approved as presented by those Members of the Authority present by a vote of 11 to 0 with the Chair and A. Eastman abstaining.

Casella Waste Systems, Inc. – Rutland – Subchapter 4 Final – \$60,000,000

M. Dussault explained Casella Waste Systems, Inc. of Rutland is requesting final approval of an up to \$60,000,000 Subchapter 4 exempt facility bond loan.

At 11:10 a.m. B. Pearce left the meeting

After discussion regarding bond loan cap and allocation, on a motion by S. Voigt, seconded by T. Collier, the following resolution was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Resolution

A Resolution Authorizing the Issuance and Sale, from time to time, in one or more tranches or series or sub-series of up to \$60,000,000 in the aggregate of Vermont Economic Development Authority Solid Waste Disposal Revenue Bonds (Casella Waste Systems, Inc. Project) Series 2022 (the “Bonds”), Approving the Forms of Indenture between the Vermont Economic Development Authority (the “Authority”) and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”), and Loan Agreement between the Authority and Casella Waste Systems, Inc. (the “Borrower”), and other Matters.

BE IT RESOLVED BY THE VERMONT ECONOMIC DEVELOPMENT  
AUTHORITY AS FOLLOWS:

1. Based upon the information and documentation submitted to the Authority relating to the proposed financing for the benefit of the Borrower of a project consisting of (A) new recycling and organics processing equipment and infrastructure; (B) transportation equipment, including solid waste, recycling and organics collection vehicles; (C) solid waste, recycling and organics collection containers and compactors; (D) certain landfill development costs at the Borrower’s current landfill site in Coventry, Vermont, including landfill cell development and liners to create additional disposal capacity, and the costs of general improvements, including upgrades to leachate collection, water management, methane gas collection and treatment, paving and grading and other infrastructure

VEDA Minutes – April 29, 2022

improvements; (E) building, land, leasehold and infrastructure improvements; (F) other machinery, equipment, furniture, fixtures and other tangible personal property; (G) any additional installation, development, design, engineering, replacements, demolition, improvements, equipment, construction, renovation, structures, permitting and other capital expenditures related to accomplishing the foregoing; (H) funding a reserve fund, if any, for the Bonds; and (I) financing the costs of issuance and other common costs of the Bonds (collectively, the “Project”), including the proposed forms of Indenture (the “Indenture”) between the Authority on behalf of the State of Vermont (the “State”), and the Trustee and Loan Agreement (the “Agreement”) between the Authority and the Borrower, each dated as of June 1, 2022, a draft Preliminary Limited Offering Memorandum (the “Preliminary Limited Offering Memorandum”) relating to the issuance of the Bonds, and the most recent financial statements of the Borrower, and after giving consideration to the factors enumerated in Section 253(d) of Chapter 12 of Title 10 of the Vermont Statutes Annotated, as amended (the “Act”), the Authority hereby makes the following findings:

- (a) the Project and its proposed financing are feasible;
- (b) the acquisition, improvement and operation of the Project will create or preserve employment opportunities directly or indirectly within the State;
- (c) the Project consist of property of a type which may be financed under Subchapter 4 of the Act;
- (d) the Borrower has the skills and financial resources necessary to operate the Project successfully;
- (e) the Indenture and the Agreement contain provisions such that under no circumstances is the Authority or the State obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facilities except from bond proceeds or from funds received under the Indenture or the Agreement, exclusive of funds received thereunder by the Authority or the State for their own use;
- (f) the Project plans comply with all applicable environmental, zoning, planning, and sanitary laws and regulations of the of municipalities of Arlington, Bennington, Coventry, East Dorset, East Montpelier, Highgate Center, Hyde Park, Middlebury, Montpelier, Pownal, Randolph, Rutland, Shaftsbury, St. Johnsbury, Waitsfield, West Rutland, White River Junction and Williston, and of the State;
- (g) the Indenture and the Agreement do not purport to create any debt of the Authority or the State with respect to the facilities, other than a special obligation of the Authority under the Act;
- (h) the proposed financing of the Project by the Authority and the proposed operation and use of the facility will preserve or increase the prosperity of the municipalities of Arlington, Bennington, Coventry, East Dorset, East Montpelier, Highgate Center, Hyde Park, Middlebury, Montpelier, Pownal, Randolph, Rutland, Shaftsbury, St. Johnsbury, Waitsfield, West Rutland, White River Junction and Williston, and the State, and will promote the general welfare of citizens of the State; and

- (i) the Project satisfactorily meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under Section 280b of the Act.
2. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is authorized on behalf of the Authority to execute and deliver the Indenture and the Agreement substantially in the forms presented to this meeting, which forms are hereby approved subject to such changes as may be approved by the signing officer as evidenced by his/her execution of the Indenture and the Agreement.
  3. The Chairman or Vice Chairman and the Chief Executive Officer or Treasurer of the Authority are authorized to issue and sell to the underwriter of the Bonds, from time to time, in one or more tranches or series or sub-series, not exceeding \$60,000,000 in the aggregate of its Solid Waste Disposal Revenue Bonds (Casella Waste Systems, Inc. Project) Series 2022 (the “Bonds”), substantially in the form set forth in the Indenture authorized above, subject to such changes as may be approved by them as evidenced by their execution of the Bonds.
  4. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to fix the dates and places for sale of all or any part of the Bonds, from time to time, and to sell and award the Bonds at public, private or negotiated sales, and to establish the principal amounts thereof in connection with such sales. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer of the Authority or such designated member of the Authority is hereby authorized to execute and deliver one or more purchase contracts for the sale of the Bonds from time to time containing such provisions as shall be deemed advisable by the officer executing the same, and the execution thereof shall be conclusive as to such determination. The purchase contract(s) executed and delivered by the Chairman, Vice Chairman, Treasurer or Chief Executive Officer or such designated member of the Authority shall be final and conclusive as to the purchaser or purchasers of the Bonds and as to the rate or rates of interest per annum to be borne by the Bonds.
  5. The Chairman or the Vice Chairman is hereby authorized on behalf of the Authority to approve the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum relating to the Bonds to be circulated in connection with the sale and delivery of the Bonds (the “Limited Offering Memorandum”), in substantially the form of the draft Preliminary Limited Offering Memorandum presented at this meeting, subject to such changes as may be approved by the signing officer as evidenced by his or her execution thereof. Use of the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum by the underwriter in connection with the offering and sale of the Bonds is hereby approved.
  6. U.S. Bank Trust Company, National Association is hereby designated as Trustee, paying agent and registrar for the Bonds. The principal of and redemption premium, if any, and interest on the Bonds shall be payable as provided in the Indenture and the Agreement.

VEDA Minutes – April 29, 2022

7. The Bonds shall not be issued by the Authority until the Authority receives the approval of the Governor of the State or his designee and the State Treasurer as required by Section 254 of the Act.
8. In lieu of repeating the terms and provisions of the Indenture and the Agreement, they are incorporated herein by reference, and this Resolution shall be deemed to set forth all such terms and provisions to the extent that such terms and provisions may be set forth or are required to be set forth in this Resolution.
9. The Chairman, Vice Chairman, Treasurer or Chief Executive Officer, or in the event of their absence, illness or other inability to act, any Member of the Authority whom the Chairman or Vice Chairman may designate, is hereby authorized to execute and deliver, from time to time, any other documents and instruments necessary or convenient in connection with the financing and to do all acts and things necessary to carry out the financing and the Project in accordance with the Indenture and the Agreement and otherwise to effectuate the purposes of this Resolution, including any amendments or supplements to the Indenture, the Agreement, any purchase contract, and the Limited Offering Memorandum to be delivered from time to time in connection with the issuance of a tranche, series or sub-series or any draw of the Bonds authorized hereby.
10. This Resolution shall take effect immediately.

At 11:15 a.m. B. Pearce rejoined the meeting.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through March 31, 2022 of \$3.8 million was favorable to budget by \$1.7 million. Net Interest Income of \$5.9 million was favorable to budget by \$148.4 thousand. Other Income of \$554.7 thousand was favorable to budget by \$53.0 thousand.

Credit Quality Report

P. Samson presented the Members with a review of the Credit Quality Report.

At 11:30 a.m. C. Carpenter signed off for the remainder of the day.

Credit Risk Classification Report – 3<sup>rd</sup> Quarter FY2022

P. Samson presented staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 3<sup>rd</sup> quarter of fiscal 2022 (ended March 31, 2022) which included recommended loan loss reserves in the amount of \$1,670,000.

VEDA Minutes – April 29, 2022

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Gallagher, seconded by T. Collier, the recommendation was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Middle Road Solar LLC – Milton – Commercial Energy – \$1,302,000


S. Buckley explained Middle Road Solar LLC of Milton is requesting \$1,302,000 in Commercial Energy financing. The loan will be secured by a security interest in all the business assets, a security interest in a debt service reserve account, collateral assignment of the Act 248 Certificate of Public Good, collateral assignment of the Group Net Metering Agreements with the Vermont Academy and Knoxland Farm Dairy (project off takers), collateral assignment of the Engineering, Procurement and Construction Agreement, and all other contracts involved in constructing, operating, monitoring and maintaining the project facility including the construction contracts and subcontracts with Green Lantern Construction (project installer), collateral assignment of borrower's rights under a 20-year land lease agreement with Beaudoin Revocable Trust, collateral assignment of Interconnection Agreement with Green Mountain Power, corporate guaranty of Green Lantern Development (project developer).

On a motion by T. Gallagher, seconded by T. Collier, the above loan request was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by J. Goldstein the meeting adjourned at 11:37 a.m.

ATTEST:

Vermont Economic Development Authority

By:   
Cassandra F. Polhemus, Chief Executive Officer