

BARTON ELECTRIC – SUMMARY OF BID PROCESS AND TIMELINES.

TIMELINE

1100 DAYS - Its been over 1100 days since Barton signed a emergency maintenance contract with Vermont Electric Cooperative on April 5, 2019 after the departure of BVI linemen which was then followed by the resignation of our manager on May 1, 2019.

OPTIONS

April 2020 (2 years ago) Vermont Public Power Supply Authority (VPPSA) presented a proposal for Management and Operations that had been developed over the previous months including Lyndonville electric providing linemen for Barton. The Trustee's rejected the offer as it seemed to be a short-term fix for larger issues. Concurrently the Trustees were open to options and invited Vermont Electric Cooperative (VEC) to provide a presentation in May 2020 which VPPSA staff also participated in.

Letter of Intent (LOI)

July 20, 2020 Barton entered into a period of exclusivity on with VEC for 120 days.

Barton extended the period of exclusivity again on December 17th until May 15, 2021.

Barton Extended the LOI again from May until July 15, 2021.

Barton extended the LOI again from July 15th, 2021 to August 31st, 2021 but let it expire.

BID

September 25, 2021 - The Trustees held an informational meeting to discuss the future of Barton Electric and the intent to put the electric department out for bids.

September 27, 2021 – Bid Request Released to all VT electric utilities.

- Four utility companies contact us and sign the confidentiality agreement.
- November 1st PHASE 1 DEADLINE, 2 proposals, 1 from VEC and 1 from Orleans.

PROCESS AND CONCLUSIONS

We set this up into two phases for bidding. This would give us the opportunity to take serious bids to deeper levels of discussion and evaluation. After phase 1, we didn't find it to be productive or in the best interest of the Village.

Overall, our Board felt that we didn't have a serious proposal from Orleans. Orleans' proposal did not include a bid or proposed purchase price and other elements required by Village of Barton's request for proposals. VEC provided a complete bid and other required information with its proposal.

To elaborate on our concerns with Orleans proposal. Orleans wanted a diligence period of 12 to 18 months. At this time BVI had been operating 2.5 years without a manager and we have contracted emergency maintenance contracts with VEC. Orleans is well aware and had been involved during the setup of this temporary plan. Nothing in the proposal suggested how Orleans would address our interim needs and we felt that if we moved forward, we would put our current operations at significant risk.

To clarify, we have no actual offer price from Orleans. Prior to us knowing that Orleans was interested in buying Barton during the summer of 2021, we had been working with VEC to consider a proposal for 2 years. We put it out to bid specifically for Orleans knowing that the process would cost us many months and around \$40,000 in legal fees. Overall, we don't feel that Orleans took our work seriously through the bid process or during the past 3 years since our manager and linemen left. In the proposal, Orleans suggested that we were withholding information however almost 3 months prior in early August when Orleans requested information about Barton Electric Department, we provided a private data room including system information, rate information and audited financial reports. This information was not accessed.

After opening up the bid period, Orleans waited a month to provide a confidentiality agreement which left only days to review the documents and respond. We again asked Orleans who should have access to the data room and no one responded.