

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, DECEMBER 11, 2017

Present:

Trustees: Gordon Smith, Walter Pomroy, Scott Meyer, David Goddette, Bob Sweetser (by phone)

Others: Meredith Birkett, Rosemary Audibert, Troy Dolan, Tom Elwood, Arjay West, TJ Poor, Eli Emerson

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:01.

2. *Changes, Additions to Proposed Agenda*

Walter said he would like to add comments about Hyde Park under the VPPSA update. Gordy added discussion of an idea employees had about when percentage raises are given and discussion of helping out the Jubilee with liability insurance.

3. *Review and Approve Minutes of Trustee Meetings*

Walter moved to approve the minutes of the November 13 trustee board meeting, the minutes of the November 13 joint selectboard-trustee board meeting and the minutes of the December 4 special village meeting, Scott seconded and the motion was passed.

4. *Treasurer's Report / Review and Approve Bills and Warrants / Budget Status / Action Items*

Rosemary said the truck maintenance expenses Dave asked about last time were for labor by village employees to maintain equipment. That was a new category in the budget. Troy said it includes work like putting new accessories on the digger truck. In the past that type of work often got charged to inventory and stores but we wanted to separate it out.

Walter said electricity for sewers was way under budget. Could it be because of the new pumps? Tom said over the years we have done a lot with Efficiency Vermont and he thinks we are reaping the benefits. Collection system labor is up because he spent time doing manhole inspections, etc. We have had some issues he wants to fill the board in on. A lot of the issues we have are due to things being flushed that shouldn't be flushed.

Walter said it looks like we will be about on budget. Tom said he doesn't think we will have to tap into capital reserve funds to pay for wastewater improvements as we thought we would.

Rosemary asked if the board wants to give the usual holiday pay and if the new temporary employee who started November 27 should get holiday pay. Dave moved to give \$100 holiday pay to full time employees, including the temporary full time employee, Scott seconded and the motion was passed.

Rosemary said she sent out 6 requests for audit proposals and received 3 proposals. She did not send a request to our current auditor. The board reviewed the proposals. The lowest was from Pace & Hawley. Walter recommended that Rosemary check references for Pace & Hawley and if she is satisfied, in consultation with Meredith, she can sign a contract with them. Dave said she should check on the speed of getting reports. Meredith said our letter included specific language from

VPPSA about when the report must be received. The board agreed with what Walter had recommended.

5. WWTF Chief Operator Report and Action Items

Tom said he had spent time researching the East Johnson sewer line and found various issues. He had brought some of them to the attention of Meredith. He hoped he would have some say before the board made a decision on taking over ownership of that line. It was a great sewer line when it was put in, but things have happened to it since then. For instance, there are two manholes on Sinclair Road that are deeply buried.

Scott said he voted against taking over the line. He wasn't comfortable with it.

Walter said his feeling is that we made a deal that once the bond was paid off it was our line. He doesn't disagree with anything Tom has said but we are the ones that collected all the revenue all these years, not the town. The only thing that didn't happen was paperwork. He feels it's a done deal.

Tom said there are overflows in the system heading right for the river. These are things we have to adjust immediately.

Dave said he was unaware until it was brought to his attention that we didn't own this line.

Tom said he thought we didn't own it. Until the paperwork is done we still don't. That gives us a chance to revisit the decision a little. The board should have asked him. He didn't realize there was going to be a vote.

Walter said ultimately Tom's advice is moot. He is not disrespecting or disregarding him but an agreement was made in the past and we need to honor it. Maybe we should have communicated with Tom more over the years about the line.

Gordy said unless we can show something in writing on the agreement, he doesn't know that there was an agreement. He thinks the vote to take over the line was not properly warned and not legal. The agenda item was to see who would pay for lift station repairs and an audit of the line so he thinks the vote was illegal.

Tom said he wants to make sure we are protecting everyone. He is the one responsible for the line if the village owns it.

Scott said he backs what Gordy says. He wanted that line reviewed before we said yes or no. If the board had had input from Tom that could have put topics on the table for discussion like who pays for uncovering buried manhole covers. He apologizes for not insisting the board get Tom's input. He thought there was agreement to have the line reviewed.

Bob said that agreement was made before work was ever started on the line. Work wouldn't have started otherwise.

Meredith said things were done subsequent to the main line going in. There have been changes and extensions since then that we aren't aware of. She thinks both parties are responsible.

Troy said an example is that his crew recently dug up half a ton of metal and junk on top of the line.

Tom said he has questions about an extension that was put in off that line. Do we own it? Should he maintain it?

Dave said Gordy just brought up that the vote may have been improper and may not hold weight. Tom said gives us an opportunity to revisit it.

Dave asked Tom about his concerns regarding the line.

Tom said there is an overflow he has to deal with almost immediately that heads to the river. He has been exploring if there was ever a building in that area. There is a pipe that goes through the ladders in a manhole. He would never approve that. There is no building there currently and no connection. He doesn't know where it goes. He uncovered it in October. He has been trying to find buried manholes.

Bob said he thinks the line Tom is speaking about drained out of his cellar. Tom said this is across the street. Bob said his drain went all the way to the river. Tom said it doesn't head for Bob's house. Bob said there was once a trailer sitting there.

Dave asked who would have approved these things. Tom said only the Superintendent of Public Works or the Chief Operator could do it. It could only have been Donnie or Ken Phelps or Bob or Steve Towne. These are older than Steve Towne, except for a couple of things. A 6-inch deep sewer line that goes through the frame of a manhole is one problem.

Walter said we will find a bunch of problems. But who did the work that created them? The village. We would have been responsible. Who has been collecting the revenue? The village. Who has been doing at least basic maintenance? The village. We have been responsible for the line since day one. If something is not right, it's our fault.

Scott said not necessarily. The town paved over manholes. That is the responsibility of the town and village. We don't have any agreement on who pays to fix them. Walter said we had the same issue in another area and the town and village worked together to fix it.

Gordy asked what this does for the allocation for the town service area. He said there are a lot of legal questions that need to be answered. He wants this to be solved but there are some costs we will have to budget for that we didn't plan on. That will raise sewer rates.

Tom said he thinks we will have quite a bit of work to do to get to the point even of having it evaluated. He and Meredith met with Elizabeth Emmons from Dufresne. Dufresne had suggested doing a preliminary engineering report (PER). When talking to Emmons about that the East Johnson issue came up and he suggested maybe narrowing the scope of the study to that. Previously they had been talking about looking at the whole system. There are a lot of areas we need to have evaluated. Inflow and infiltration reduces our capacity. Inspection of river crossings, which Tom has to do by state statute, was going to be part of the PER.

The board agreed to pause this discussion for TJ Poor's item.

6. *Review of Solar Options – TJ Poor*

TJ Poor said Meredith had asked him to come and talk about what VPPSA has done with RFP's that include 2 Johnson sites as well as about Cole solar. Meredith said she let Cole solar know we are waiting until we can hear from VPPSA about the RFP opportunities. We need to understand the pluses and minuses of both opportunities before we decide whether to move forward with Cole.

TJ said VPPSA issued RFPs over the summer. Eight vendors responded. Sites of different sizes were identified. Vendors provided both purchased power agreements and ownership options for most sites but some vendors didn't provide ownership options. Everyone who didn't provide an ownership option was asked to provide one. VPPSA is looking at those now. These are preliminary non binding bids. VPPSA plans to pick the top couple of developers for each site and ask them for binding bids. There is a lot of uncertainty with regard to the solar tariff. An additional tariff for Chinese solar panels has been recommended to the federal administration. VPPSA hopes to get binding bids back in January.

One of the sites put into the RFP was on Gould Hill Road on private land. There was one response for that site. A vendor proposed a 750 kW installation with PPA and ownership options. There is a lot of clearing work that would need to be done at that site. It would be hard to access. There is some ledge.

Meredith said members of VPPSA were asked to suggest sites so we suggested some.

Gordy asked if this is the same area he recommended. He explained to TJ which area he had in mind. TJ said he will check with a couple of developers to see if there was any uncertainty about what area they were looking at on Gould Hill.

The sewer plant rooftop was another one of the sites. There was only one bidder for that. TJ said he thinks a lot of developers shy away from putting in a bid without looking at the structure. In the second round we would want to let them come in and look at the integrity of roof to get a binding bid.

Gordy asked, if we don't come up with anything in our district, we have the option of going in on some percentage of one in another area? TJ said yes.

Walter said if VPPSA doesn't go ahead with the sewer plant location he would like to see the data on it. We may still go ahead with it as a net metering project. TJ said VPPSA would check whether we want VPPSA to do the project or we would rather do it on our own. We could choose how much power we are interested in.

TJ said the proposed Cole solar project is about 2 megawatts. They offered only a PPA option until today when we got a price for an ownership option. One big issue is that the impact of 2 megawatts on a system the size of Johnson's is not yet fully understood. He thinks it would be critical to evaluate what interconnection upgrades would be necessary. A full system impact study costs more than developers are used to paying.

TJ showed a graph of our resource mix with Cole solar in our portfolio. Cole solar would provide a big chunk – nearly a quarter of our annual forecasted need. Through 2022 on an annual basis up to 100% of our need would be filled. It would give us known pricing for 25 years (and longer if we own it) so we would not be at risk from market swings.

The first tier of renewable energy standard requirements is 55% renewable energy starting this year, with increases in the future. There are some low priced renewable energy credits that can be purchased to meet that requirement. We wouldn't use the solar project to meet that requirement. It would be more advantageous to sell the credits from the solar project elsewhere.

The Tier 2 requirement is that one percent of retail sales in 2017, growing to 10% in 2032, has to be from small renewable generation located in Vermont and built after a certain date. Cole solar would give us much more than we need and would fill our needs at least until 2032.

When evaluating the economics of the project, we have a requirement we have to meet and then we have excess energy beyond that that is subject to market price. There is more uncertainty about that.

Walter said a big question in his mind is what credits will be worth in the future. Is any certainty starting to form on the worth of RECs? TJ said no, there is no certainty on what RECs will be worth going forward. Whatever we are valuing them at, it could go up or down. We are fairly certain the requirement in Vermont will stay for the foreseeable future. Meredith said within VPPSA membership we can share Tier 2 credits. We could trade internally to VPPSA members. That could give a little more stability.

TJ said Tier 3 is the energy transformation tier, to save fossil fuel. Excess Tier 2 generation can be applied to Tier 3. With the Cole solar project we would have excess Tier 3 generation as well. There are other things that can be done to meet Tier 3 requirements, such as the electric vehicle program.

TJ said the board might want an executive session to discuss project economics. Meredith said she thinks that might be wise. Discussing this in open session could put the municipality at a disadvantage.

Walter moved to enter executive session to discuss solar project economics and possibly contract terms, with all present remaining, Dave seconded, the motion was passed and the board entered executive session at 7:10. Walter moved to come out of executive session at 7:45, Dave seconded and the motion was passed.

7. *Information on Electric Regulatory Process – Eli Emerson*

Eli Emerson said he has represented the village for 13 or 14 years. He works in conjunction with VPPSA. When he works for us he is often more in contact with VPPSA than with the village. He is with Primmer Piper. Sometimes he works for VPPSA, but he also works directly for Johnson. He just does electric utility work. There are 2 regulatory bodies we tend to deal with. One is the Public Utility Commission, which used to be the Public Service board. The other is the Department of Public Service. The Public Utility Commission is a decision maker and the Department of Public Service is not for the most part. They weigh in with recommendations on how the PUC should rule.

Often the PUC will follow their recommendation but they don't always. There is usually a good chance their opinion will be highly influential.

Eli reviewed the regulated areas where VPPSA members tend to need legal assistance. One is issuance of debt. The village needs approval from the PUC and a positive vote of the voters for issuance of debt. The vote has to come after the PUC has approved it. Any long term financing (over a year) requires PUC approval. Short term borrowing (a year or less) doesn't need PUC approval if all of the short term borrowing added up is less than the electric department's total assets. Typically if something is going to be included as an operating expense, like a lease, that is not borrowing that needs to be approved by the PUC, but a capital lease that would be a liability on the books would need PUC approval.

Another area is ratemaking. The village would always do that in conjunction with VPPSA. If the PUC decides to open an investigation on whether there should be a rate increase there will be a process with prefiled testimony. The PUC decides ultimately how much a rate increase can be. The general rule has been if it is kept to a single digit increase that will avoid investigation. But in a climate where there are not many increases even a small increase might trigger an investigation. In this climate it is possible that even a single digit increase could get scrutiny. Ratepayer impact seems important to the PUC.

Walter asked if Eli sees the PUC investigating if the village is not asking to raise rates but the PUC thinks the existing rates are too high. Eli said he hasn't seen that. Walter asked, what if we decided to file a rate decrease? Would that get much scrutiny? Eli said there is no retroactive ratemaking. If you decide today your rates are high enough but then energy costs suddenly went up that could wipe out any cash reserves you had. You generally aren't allowed to cover past losses.

Walter said he would love to be able to tell ratepayers we can cut their rates for a year or two and just do it. Eli said we would want to make the right decision. It is a lot of work to lower rates and then need to raise them in a couple years. Having a good 5 year capital plan is a good idea. If the village has excess revenue it can be used to avoid future rate increases. The best way to deal with possibly having a bigger cushion than you want is to do something that will keep upward pressure on rates down, rather than doing a rate decrease and a few years later having to borrow and increase rates. The people who work at the PUC have been there long enough to know things can swing pretty quickly. It is good to have a capital plan to tell them how money will be spent if they ask why the utility has so much cash in reserve.

Walter said there has been a lot of talk about economic development in town. In New York utilities can guarantee cheap power to businesses for 10 or 15 years. He would love to be able to do that, but we probably can't.

Eli said one town in Vermont did an economic development agreement. They offered a big company a reduction in rates in exchange for guarantees about keeping jobs, etc.

Walter said we won't get a big company moving to Johnson but we could probably attract a little company. Is it worth doing the regulatory filings to offer a small company a rate reduction?

Eli said in the cases he has seen it has always been a really big existing employer in a town that got a reduction. It is hard to offer a discounted rate regulatory-wise and politically when likely other ratepayers will have to bear the load. One thought is to do it through a net metering project. You could develop a net metering project and steer the net metering credits. Usually you would use it to lower the electrical loads of the municipality, relieving all taxpayers. If there is a similar community benefit to attracting a business maybe the village could partner with a company on a net metering project so the company can get net metering credits. There is a fear of losing customers to third party net metering. A net metering project by the village can help retain customers who might want to go out and pursue net metering from a third party and control costs.

TJ said he thinks there are many options around community solar that probably should be explored more. Is there a way to have a community solar tariff that is essentially an economic development rate? No one has done it in Vermont. Eli said there seems to be demand in communities for solar and net metering and fear of loss of customers to third parties. Community solar projects could be a way to address both.

Eli said in theory there are things a utility can do that are unregulated, like selling water heaters and heat pumps. Typically small municipalities don't provide unregulated services.

The utility may purchase power from out of state. There are a couple of instances when PUC approval might be needed. If it is a smaller quantity the utility can just submit a notice.

Another area of regulation is consumer protection. The PUC is focused on consumer protection. It is important to learn how to work with them but what they say a rule means isn't necessarily what it means. They always interpret rules to favor the individual customer, not all the ratepayers.

Eli discussed regulated utility projects. Just replacing a transformer with another one of the same type doesn't require PUC approval. If the utility is going to increase the capacity of a line that requires a Certificate of Public Good. For smaller projects of limited size and scope the utility can get an expedited process. A project has to be more than 10 acres to be subject to Act 250 so it is rare to need an Act 250 permit.

The utility has the right to condemn property. Most times that comes up when there is a line extension request and a neighbor doesn't want to grant right of way. The utility has an obligation to provide electric service so the property would be condemned and the costs paid for by the person asking for the extension. The PUC won't deny it, but will require the utility to compensate the person whose property is condemned. If the property owner knows they will have to give up the property then there can be negotiation about compensation.

Often utilities don't have written easements for electric lines. Statute says if that is the case there is an assumption that the utility has a need for it and that the property owner has already been compensated in the past. Statute says the utility can condemn the property without paying the property owner and the PUC will assume the utility has a need to be there. That usually gets people to provide an easement at a reasonable cost.

A municipal utility is subject to Title 30. There are things in it that are specific to municipalities, such as having to do a vote after getting a CPG. The utility also needs to deal with Title 17 and Title 24. Those cover warning and voting requirements.

Something that is helpful for making sure the utility never has any unpaid bills is the ability to put a lien on a property. It is like a tax lien and takes priority over everything else. The village can do it if it is in the village charter. If the village is doing a new charter it should be sure to include that.

Scott asked, what if the property is in a trailer park? Eli said the recommendation is to put a lien on the trailer and on the real property.

Eli said if a landlord doesn't want to have electricity in the landlord's name the tenant may need to give the landlord the right to know about electrical bills so the landlord can avoid liens.

Eli said Johnson can look at Northfield's charter for an example. He said Hardwick created an electrical commission because they have a lot of ratepayers who are not taxpayers, in order to get perspective from those who are not taxpayers. Sometimes a charter change might include an electrical commission. Walter said we have some ratepayers who are not taxpayers but not many. (*TJ and Eli left at 8:33.*)

8. Request for Amended Wastewater Permit

Arjay said he had come on behalf of John Peinert regarding his property at 1079 Route 100C. He worked for Peinert as his designer and consultant to resolve permit issues. Peinert wants to connect to the municipal sewer line. He submitted a plan that showed a new building connecting to a shared sewer service. That was denied and he came back in November with a layout for an individual line that was approved. He got his allocation and his state permit. He has found that there is bedrock in the area where the new line was going to connect to the main. The contractor has safety concerns about trying to blast to create a ditch to go into the manhole in the area, which is 17.2 feet deep. And AOT is not likely to give approval to blast the bedrock that extends under their road right of way. Arjay feels Peinert has done everything he reasonably could do and an individual line is not feasible. He wants to request that the third building that is being renovated tie into the existing sewer service, which would be a shared line. At Meredith's suggestion he talked to Peinert about coming up with a declaration about responsible parties and about the buildings not being able to be separated without permission of the board. Peinert's attorney has drafted a declaration similar to the Murray one that says the landowner will be responsible and there will be no subdivision of the 3 buildings without discretion of the board. If the board is willing to consider this, he foresees the next two documents needed would be an amended state permit and the signing of a declaration. Peinert is under real estate deadlines. It would be beneficial if the board would allow the signed declaration and state permit to be brought back to Meredith before the next board meeting.

Scott asked if the declaration would be a conveyance in the deed. Arjay said yes. It will be referred to in the transfer deed.

Tom asked if he is correct in assuming the existing connection wouldn't be changed. Arjay said that is correct. There is a 4-inch sewer line in place, which will meet the requirements of the state permit. What would be proposed would be no change. There would be no excavation but the pipe serving the third building would require a pressure test to make sure it meets isolation standards.

Tom asked, is there existing water in that building now? Arjay said yes. It does not have a permit.

Tom said he is okay with the proposed shared line because they can't physically do the job of putting in a new line.

Gordy asked if a map of the finished project can be provided to Tom. Tom said if we are going to approve it he wants to make sure it is well documented.

Tom asked if the pressure test can happen without excavating. Arjay said yes.

Meredith said she will have legal review of the declaration.

Walter moved and Dave seconded to authorize the change to the plans for the Peinert project as proposed, contingent on Meredith receiving the proper legal declaration and a pressure test being done to Tom's satisfaction. Gordy said it should be noted that this is being allowed as a hardship case. **The motion was passed.** (Arjay left at 8:46.)

9. WWTF Chief Operator Report and Action Items (continued)

Tom resumed discussion of the engineering proposal from Dufresne. He said a preliminary engineering report is a necessary step to qualify for state revolving loan funds. We asked Dufresne to incorporate the East Johnson line into their proposal and pare down their original proposal. We will want to hone in on the key parts we want reviewed.

We have spent less time thinking about the water side. We know there are some water projects we will want to tackle. The state is going to pave Route 15. We might want to replace the short section of old 4-inch line under Route 15 in conjunction with that. The chances that VTrans will allow us to do anything with that are slim, especially if they pave it. The line is in terrible condition. There are issues with separation between the sewer mains and storm drains. The only place to put that line that he can see is right where it is.

Meredith said she wants general agreement from the board that we should include some analysis of the East Johnson sewer line as part of this study.

Walter said we have a loan that will be paid off soon. What he wants to know is what the sewer department needs to do to plan for the future. He wants a plan to work with for the next 20 years. Will this provide that? Meredith and Tom said it's the first step.

Tom said the River Road lift station is a priority for him. In order to do anything we need this PER. He doesn't want to single out East Johnson. He wants to look at a lot of areas. This includes smoke testing and storm drain connections in areas we haven't addressed in recent projects. He is looking for direction. Should we keep pursuing this?

Meredith said Dufresne proposed a scope of work and an application to the state loan program with the idea that the state would fund this project and if we don't move to construction within 5 years we would have to repay the grant over 5 years. Often they forgive grant repayment if you move to construction.

Gordy said it has been advantageous in the past to have projects shovel ready if there is an opportunity for money.

Tom said we need to jump through these hoops to have the basics of asset management in place to get funding.

Meredith said she and Tom will further refine the scope and come back in January with what they really think is the work that should be done. She wants to make sure including East Johnson is okay. The board agreed to that.

Tom said he met with Elizabeth Walker from Rural Wastewater. She has offered to help write our phosphorus optimization plan for our new wastewater permit for free.

We had a lot of issues in the last two weeks with the collection system. The 6 inch and the 8 inch siphons both plugged up. The pumper truck from the fire department was able to clean out the new clean out fittings. It worked well and we didn't have to call Hartigan.

A pump at the East Johnson lift station had a fault. It was pulled with the help of Troy's crew. An electrician identified and fixed the problem – loose wire connections. He recommended we replace the start capacitors.

One of the pumps at the Highland Heights lift station plugged up and had to be pulled and unplugged. Yesterday the other one had to be pulled. The problem was due to things that shouldn't be flushed, such as tampons.

We had G.W. Tatro dig and replace 2 curb stops on Lower Main. They found a broken water line and Tom had the crew fix it. They also fixed a curb box next to Union Bank.

We took out Vermont Studio Center's seasonal meters, took out Manchester Lumber's meter and disconnected their sprinkler system. Tom issued a meter horn and assembly to Maplefields. He still hasn't inspected the connection.

Gordy asked if Tom is willing to continue on an assessment of the East Johnson system and report on it to the board. Tom said that was his plan.

Scott said Tom should be included in any discussion about the possibility of a brewery in town.

Walter asked if East Johnson is part of the intermunicipal agreement. Meredith said yes. There is a town sewer service allocation. The initial allocation was 25K a day. According to her calculations they now have 9261 left. She showed a map of the town sewer service area, which includes 2 pieces. She said we will have to figure out if we assume ownership of the East Johnson sewer line if the town will still retain the full 9261 that is applicable to both areas.

Walter said realistically we have lots of capacity and if the town wants more he feels we will give it to them. We want customers. We have 154K. Tom said that is based on average flows. The amount available got a lot better when we fixed a big leak. Inflow and infiltration affect the number. Meredith said we need to be thoughtful about making sure there is a good balance. Walter

said he feels we are not even close. Tom said we increased future capacity by doing work during the Main Street and School Street projects. We have to keep identifying leaks. Walter said we are only using 45% of our capacity.

Dave asked how far the East Johnson line goes. Tom said the main was extended to a manhole in Penny Bouchard's yard. He is trying to figure out where our system ends.

Gordy said he would like to see Tom do a report and Meredith do her work and have them bring information back to another meeting so the board can have a formal vote.

Meredith said Drew Fairbanks has requested permission to connect to the sewer in the Town Sewer Service Area. A portion of his parcel is in the Town Sewer Service Area. He wants to build a house outside the TSSA. Her perspective is that any connection to the sewer line is his responsibility. We are not talking about extending our sewer line, so there would be no new liability to the village. The town is considering his request but they want to hear our perspective.

Gordy said the lawsuit in the past about connecting to the line happened before there was a Town Sewer Service Area.

Meredith said the Fairbanks parcel has direct access to the line and there will be no extension. Those could be given as reasons for granting the request.

Walter said he feels we should say yes. Others agreed.

Tom said most of our sewers are 10 inch asbestos cement pipe. There is new VOSHA guidance on how to tap into those lines. It will require more from contractors to know they are doing it safely. We may have issues cutting into these lines. Walter said ultimately that is the contractor's issue.

Bob asked about manhole locations in that area. Tom said there is a manhole where the pavement ends. He hasn't dug it up. What if Fairbanks needs to connect somewhere in the area where the two manholes are buried? We won't even be able to open a manhole.

Meredith said the town has to approve the request first, then the village.

Dave moved to report to the selectboard that the village is willing to allow Drew Fairbanks to connect to the East Johnson Sewer Line as requested, Walter seconded and the motion was passed. (Tom left at 9:17.)

10. Foreman Report and Action Items

Troy said on November 27 the water and light crew completed the primary underground and new service for the new Maplefields. They installed a new service for new apartments on Route 15. They installed a transformer and new service on Prospect Rock Road to feed a new residence.

The contract right of way cutters have been working the last 2 weeks cutting on Foote Brook, Gould Hill, Prospect Rock and Lamoille View Drive.

The air compressor passed the annual inspection. Gloves, blankets and sleeves were sent out for 3 month testing.

The crew came in early twice for plowing. They have done sanding and salting more frequently. They installed winter banners and holiday garlands and did prep work for the Holiday Jubilee.

Chandler Bullard was hired as a temporary replacement for Jeff. Jeff attended the Georgia Lineman's School starting in May and graduated at the end of August. He has completed first aid/CPR training, pole top and bucket rescue and acquired a Class A CDL. These qualifications have made him a very good fit.

Troy completed an estimate for a new service on Route 15. He worked with RL Vallee's electrical contractor to plan transformer installation, final secondary connections and metering for the new Maplefields. He worked with Fairpoint engineers to get poles set on 100C related to the twin bridges project.

Meredith said right after the Lehouillier solar installation was connected to our system they had to cut their output due to high voltage. They hired an engineer who came up with a proposal to install a voltage regulator. We sent the information they provided to our engineer. We want to make sure whatever is done is in the best interest of our customers. Troy said the major issue has to do with the array's inverters. Our engineers confirmed that with proper equipment they could adjust their voltage using the inverters. Based on what the array developer has said, they want to put a regulator on our line instead because it optimizes their revenue. Meredith said she wants to talk to Eli Emerson about making sure we are legally on sound footing regarding advocating for our preferred approach.

11. Village Manager's Report and Action Items

Meredith said in order to move forward with transferring ownership of the East Johnson sewer line to the village there will be a lot of time required from her and Tom and significant legal expense.

Gordy said he thinks a vote should be warned properly for next month. Meredith asked if he would rather wait until we have the results of the engineering study. If there are significant problems, would that impact the vote?

Scott said he wants to make sure the vote is done correctly in compliance with open meeting law. If there are issues such as manhole covers being buried we need to work with the town on who does the work and pays for it. He would like to have that figured out before the vote. Walter said he disagrees. Those are small issues. Gordy said he is not saying we should not accept it. He just wants to make sure our ducks are in a row. Dave said we all want it done right, but it should have been done long ago.

Meredith said she feels it is the fault of both municipalities that the transfer wasn't done when it was supposed to be done so it seems reasonable that both should share any cost due to the delay.

Dave said he feels we should move forward with the transfer but just make sure it is done right. Bob said he agrees. The town lived up to their end of the bargain. We shouldn't be able to assess the customers for repairs. Walter said he feels the customers need to be held harmless.

Dave said he wonders why manholes keep getting paved over. Troy said he understands that there hasn't always been a good working agreement between the town and village and each did what they wanted to do.

Meredith said before the next meeting she will have a conversation with Brian and ask him to bring the manhole issue to the selectboard. Do we want to formally request that they cover any cost of uncovering manholes? Walter said we are in their right of way. They can do what they please. If they had done things right they would have told us that they were paving and that we should bring in lifters. Meredith said she would agree if the paving had happened in another part of the village, but they own that sewer line. It is their infrastructure in their right of way. Gordy said he thinks both town and village should work together on it, 50-50.

Gordy said there won't be another vote until Tom and Meredith get more information, a legal opinion, etc.

Meredith distributed information on VPPSA's 2018 budget. There is a 4% decrease in member fees. Power supply cost is a 6% decrease over 2017. They are predicting a 1% decrease in load. In a previous version of the draft budget there was expense to participate in a project to develop net metering software. NEMRC said they would like to help us develop better capability in their billing program. We think they can provide a more convenient solution at a lower cost than what VPPSA was going to do. If we can do net metering billing in the NEMRC program it will be simpler. We will have to budget for NEMRC to do software development. The cost will be shared with other towns that use their software.

Meredith thinks we need to do some more capital planning on the electric side. It was brought up to her by VPPSA that even though we have a large balance it might not always be wise for us to purchase things with cash. It is possible there might be an objection to us including costs in a rate case if they were not spread over multiple years. Capital planning can help us figure out if we want to borrow for projects.

Meredith will send out the power bill summary. It showed the same trajectory as in previous months. Load and costs were lower than anticipated but costs per kWh were a little higher than budgeted.

Meredith said Hyde Park voted to leave VPPSA. Their publicly disclosed reason is that they feel there is some risk to Hyde Park based on potential for other members to default on payments. There may be other reasons she is unaware of. At this point it is not impacting the 2018 VPPSA budget. It is possible we may see implications in 2019.

Meredith said following Duncan's request at the special village meeting to obtain a second legal opinion regarding the village bylaws, Scott asked what it would cost the village taxpayers to look at that. Walter said he feels we ought to keep moving with the charter, which would solve this problem. If it solves the problem he doesn't want to waste a nickel on another legal opinion. Scott said he wants to know what it would cost the taxpayers and what they get out of it. He wants to know the cost for the initial review and for a second one.

Gordy said he thinks Walter worked with Duncan and Kyle to come up with a good warning. They came up with something that satisfied the wishes of the people who signed the petition and then we got questioned. Scott said if there was that much concern people should have showed up at the village meeting where the lawyer discussed it instead of having a second review because someone wasn't at the meeting.

Meredith said she recollects that part of the issue was the content of what the petition was trying to do. It was content that should be in charter, not bylaws. She will re-read what the lawyer said and ask him clarifying questions. Walter said he doesn't want her to do that. He thinks the response to Duncan should be that we will fix the problem with a new charter so we are not spending more money on a lawyer. The rest of the board agreed.

Meredith said Lea Kilvadyova told her LCPC would like to apply for a USDA Rural Business Enterprise Grant to support Railroad Street redevelopment concepts. This would be a 100% grant with no local match required. LCPC would be the applicant. They would like to see formal support from the village that they could include in their letter of intent.

Scott asked if they reached out to the Planning Commission. Meredith said she thinks they just spoke to her and Brian so far. Scott asked, wouldn't it be a good idea for them to reach out to the Planning Commission? Meredith agreed it would. She said she gave David Butler a heads up about the Area Wide Plan in August.

Meredith said she asked Lea what kind of tasks the grant would cover. Lea said it would cover bringing results to developers and gauging the interest of the business community. She will include the Planning Commission.

Dave moved to support LCPC in their application for a USDA Rural Business Enterprise Grant to support the implementation of the redevelopment concepts from the Railroad Street Area Wide Plan, Walter seconded and the motion was passed.

Gordy said Doug Molde asked him to bring up the topic of the trustees showing support for the beautification committee. Ideas for using the \$4K the beautification committee has available include a mural, Village Green landscaping and projects in the village such as improvements around the welcome sign, municipal building landscaping, flower boxes on the bridge over the Gihon, or a mural on the retaining wall at the fire station. The committee wants suggestions

Walter suggested that the piles of gravel, etc. near the cold storage building be moved to improve the appearance of the area. There are poles there, too. Troy said we need the poles to be in a spot big enough for the truck that unloads them. There isn't room by the shop.

Bob suggested a traffic light at the Railroad Street/Main Street intersection.

Board members all agreed they are in favor of the committee's work.

Walter suggested adding gardens by the municipal building to the list of ideas.

Meredith reviewed her suggested budget timeline. She said she had emailed Arjay to let him know the town wants the draft fire department budget. Gordy said the trustees should see the number first before it goes to the selectboard. Meredith said that may mean we have a special meeting in late December. Or maybe Arjay can just come to the January 8 meeting if that is okay for the selectboard. (*Dave left to respond to a fire alarm at 9:52.*)

12. Timing of Pay Raises

Gordy said Eric had asked him to bring up something employees had asked about. He suggested that instead of the 2.5% raise voted on at the joint meeting we give a 2% raise July 1 and give a 1% raise on January 1 to coordinate with health insurance. If the trustees agree, Eric will bring that up to the selectboard.

Meredith said she and Brian talked about that. The schedule Eric and Brian proposed follows the town's fiscal year. The easiest thing to do for village employees would be to make the salary change effective January 1 even if employees don't get the additional money until the budget is passed. We could make it retroactive. We have not done that in the past, which didn't make sense to Meredith. She thinks an easy solution for village employees is to make pay raises retroactive to January 1, but it is messy for joint employees. Rosemary said just the village portion of their pay raise could be retroactive to January 1. Meredith said then the town can figure out what they want to do on their side. Trying to align with different budget periods is hard.

Walter said he hates doing something until the voters have had their say. We had a one year blip where the health insurance increase is nasty but he hates to change it.

Meredith said it would be easier for her to say the changed rate is for the entire calendar year. For this year she only budgeted the higher rate for April through December but we are doing the budget now for 2018 so we could budget the increase for the whole year. Bob said he thinks that is what we should do.

Gordy asked what number we would use. Meredith said 2.5%. Walter said employees would be getting a 2.5% raise after 8 months, not 12 months so the raise would come 4 months sooner. But that is a one-year effect and he won't worry much about it.

Meredith said she can work it into the budget for this coming year.

Gordy said it will help employees because they start paying increased health insurance costs in January. Others pointed out that they won't get the additional money until April.

Meredith said she will double check that there is no reason we can't do retroactive raises for all village employees and our share of joint employees.

Gordy asked if that will work for Rosemary. She said yes.

13. Liability Insurance for Holiday Jubilee

Gordy said he talked to Bobbi Rooney recently. Meredith had asked Johnson Works to fill out a facility use form for use of the Village Green. That includes a requirement for liability insurance. If they can't get insurance there is a section that says they understand they are not covered under the village policy. Meredith said she looked at what event insurance would cost. It looked like it would

be about \$1K. She suggested to Kyle that it would be worthwhile for Johnson Works to consider whether they need that kind of insurance for the Jubilee.

Gordy said when we do our budget we might be able to work with Johnson Works on insurance for the Jubilee.

Walter said he thinks we need to talk to PACIF and see if our policy possibly covers it and if not what it would cost to be added to our policy. He wants to help the group. Gordy said he does too. Usually we have contributed money to the Jubilee in the past.

Meredith said she will let Kyle and Bobbi know the idea of working with them on insurance was brought up.

Walter asked what we are doing with Tuesday Night Live. Meredith said that is the Town's issue.

14. Executive Session – Personnel Issues

Walter moved to go into executive session for personnel issues, inviting Troy and Meredith for discussion of the first issue and just Meredith for the second, Scott seconded, the motion was passed and the board entered executive session at 10:04. The board exited executive session at 10:50 PM.

15. Adjourn

Walter moved to adjourn at 10:50 and the motion was seconded by Scott. The motion passed.

Minutes submitted by Donna Griffiths