

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
ELECTRONIC MEETING VIA ZOOM AND PHONE CALL-IN
MONDAY, MARCH 8, 2021

Present:

Trustees: Steve Hatfield, Will Jennison, Scott Meyer, BJ Putvain

Others: Meredith Dolan, Rosemary Audibert, Dan Copp, Troy Dolan, Duncan Hastings, Jefferson Tolman, Sophia Berard, Mike Dunham, Kyle Nuse, Tasha Wallis, Nat Kinney, Diane Lehouiller, Marla Emery, Rick Aupperlee, Susan Tinker, Margo Warden, Anne Mullings, Kim Dunkley, Lynda Hill, Cal Stanton, Dorigen Keeney, Jasmine Yuris

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Scott called the meeting to order at 6:03.

2. *Changes, Additions to Proposed Agenda*

Scott added to the agenda some time spent in reflection for Lea Kilvadyova who passed away yesterday.

3. *Reflection on Lea Kilvadyova*

There was a moment of silence for Lea.

Scott asked Tasha Wallace to speak. Tasha said Lea was such a valuable member of the Lamoille County Planning Commission team. She accomplished many wonderful things. She was focused on economic development, Brownfields and outdoor recreation and had an uncanny ability to garner grants. Beyond that, and more importantly, she was a wonderful person to work with, such a joy. She had a delicate touch, infinite patience and a professional outlook that helped community members achieve the things they wanted to achieve. Her death is a loss to the community. LCPC would be happy to work with the village and town to honor Lea in whatever way people think respects her memory and celebrates her accomplishments.

Duncan Hastings said Lea was the first community economic development coordinator for the town and village. He had great admiration for her ability to meet with people and get her point across in a way that was professional and yet made people feel comfortable. She shepherded the town and village through a number of projects that will have long-lasting effects on our community. She was exceptional.

Scott said the village green is starting to take shape and become a place for reflection. He proposes naming after Lea.

Anne Mullings said this is a sad day for us all. Lea had such a great personality. So many funny things happened in the office while she worked there. She will be missed. Anne's heart breaks for her kids and family. She thinks naming the green after her is a wonderful idea. So many things in Johnson happened because of her. We wouldn't have a grocery store in town if not for her.

Nat said he thinks that is a brilliant idea. It is fitting, considering that the village green was part of the Main Street project and Lea was instrumental in that. He hopes that whatever the village does, the town would support and perhaps contribute to it. This is a sad day for the community.

Duncan said he thinks it would be wonderful and fitting. Lea was really instrumental in including the village green concept as part of the Main Street project. There were a lot of bumps along the way getting that into the plans. He thinks that would be a very fitting tribute.

Kyle said she agrees that dedicating the village green in Lea's name is a beautiful idea. The Beautification Committee is working hard on a master plan for that space to make it a beautiful place to be. If this goes forward she will bring it to them and they can work that idea into their planning.

Diane Lehouiller said she was really sad to hear about Lea. Every time she spoke at a public meeting you could feel her intelligence and passion for this town. Dedicating the village green to her is a really nice idea.

Scott moved to rename the village green after Lea Kilvadyova. Will asked what the specific name would be. Meredith said she thinks the exact name can be decided later. **Steve seconded.**

Scott said he has had conversations about some kind of memorial to Lea. He thinks it would be great to work with the Beautification Committee and LCPC so she won't be forgotten when people visit our community.

Kim Dunkley said Lea like to recreate and she had kids. Maybe her memorial could be a rock that kids could climb on.

Scott said one of the things that Lea felt very passionate about was the sculpture aspect of the Main Street project. It would be a nice tribute to her to see if we could fill up the sculpture bases with sculptures.

Nat said these are all great ideas. He urges that whatever is done be done in coordination with her family.

Will said he is hearing that there are two or three different options of things to do, mostly directly related to the village green park. He would hate to do something without any time to think about it and have it be the wrong thing. He wants to do the best thing. He wonders if it would be better to allow more time get input and consult with the family.

Scott said he thinks the intent to rename the village green after somebody as worthy as Lea is very important. The details of how we celebrate her life within the park can be figured out at a later date.

In a roll call vote, Will abstained because he thinks the board should have more time for thought. BJ also abstained, saying he agrees with Will. Steve and Scott both voted in favor. The motion failed.

Meredith suggested this could be brought back on the next agenda after people have time to think about it and talk about ideas. It may be worth speaking to her family after a respectful amount of

time to see if they support the idea. It was agreed to add this to the agenda for the March 29 meeting. Meredith will work with Tasha on reaching out to Lea's family.

4. *Review and Approve Minutes of Trustee Meetings*

Will moved to approve the minutes of February 3, February 22 and March 1, 2021, Steve seconded and the motion was passed.

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

The board reviewed the budget status report. Rosemary said depreciation expense will be quite a bit less than budgeted because most of the trucks are fully depreciated now. Meredith said she has been using the ballpark figure of \$125K that we have used for several years. Rosemary said we can lower that.

Scott brought up the previous conversation about the potential to find money to do Covid testing at the wastewater treatment plant. He said we are now up to 50 cases in Johnson and it would be helpful to do testing to know if Covid is in the village or not. Dan said he applied for the program but hasn't heard back yet. He doesn't believe they have released who will be included. He can ask. It is time block program and he doesn't know when the time block will start. The tests cost about \$900 apiece so it would be cost prohibitive for us to do it on our own.

Rosemary said next week we will send out ballots and the week after that we will send out the village reports. Meredith asked, if she and Scott can get their content for the village report to Meredith by early next week, does that work? Rosemary said yes. Rosemary asked if we want to put in the merger study report. Scott said yes. Meredith said she and Scott had talked about putting something about Lea in the annual report. The board previously voted to dedicate it to Gordy. We could include something in memoriam to Lea in addition to the dedication.

6. *Water Leak Damage / Request for Reimbursement*

Meredith said she had provided information via email about Mark Woodward's request regarding damage caused by a water leak in a basement.

7. *Water/Wastewater Report and Action Items*

Dan said the E-DMR and Wr-43 were submitted for review. There were no callouts for the wastewater plant. An employee tested positive for COVID. We followed state and H2O Innovation's pandemic plan guidelines. There were no contacts with any other employees. He was eligible to come back to work after 10 days from his first symptom. We kept him isolated at home for 14 days as a precaution. He is fully recovered and is now back to work.

The other milkhouse heater at the Nadeau well failed. We replaced it with the spare we had on hand. We purchased another one to have as a backup. The bottom has completely rusted out of a bar rack in the headworks. This catches rags and other inorganics that come into the plant. We contacted Leo's Welding to see if this one can be repaired or if we will have to purchase a new one. Dan believes repairing this one will be the most cost effective. He is waiting on a quote to make that decision. The Penn Valley sludge pump that feeds the belt press started leaking. We took the pump apart and replaced the leaking gaskets and it is operating properly. We will order another set of gaskets to have on hand. Dan gave BJ a tour of the plant. They discussed potential items that will impact the budget in the near future.

Coliform results were negative. Nitrate tests on both wells came back well under state limits. January water loss was 11%. February water loss was -3%.

Meredith showed the board the proposed contract terms for a renewal of our contract with H2O Innovations. There would be no increase for the rest of 2021, a 1% increase for the first full year and 2% annual increases thereafter. The current contract had a 2% increase every year. They propose a 5 year 7 month contract. When we first signed a contract with them, Meredith had our attorney review it. She is comfortable that the contract language protects us and is fair to them. There are no changes to this contract other than the term and pricing. She doesn't think we need an attorney to review it again. **Will moved to approve the contract with H2O innovations for 5 years and 7 months at the proposed rate, Steve seconded and the motion was passed.**

8. *Foreman Report and Action Items*

Troy said on February 28th, a potential transformer that is part of the metering equipment on the B-22 transmission line failed and caused a blink for the entire village. This transformer is located outside the village substation and is considered part of the transmission system. As a part owner of the transmission line, we will be responsible for 15% of the replacement and repair costs. The transformer will need to be replaced and I have been in contact with Morrisville's foreman about the project and we will be coordinating an outage during warmer weather to make the repairs.

The crew was called out on March 2nd for a tree on the line. When the crew responded, it was found to be on Morrisville Water & Light's line on Collins Hill Road.

On March 3rd, we had a call-out for flickering lights at 1969 VT Route 15 West. The crew responded and repaired the neutral connection at the point of attachment at the house.

The crew also completed monthly meter reading, high/low checks, and Dig Safes.

We had two water call-outs for frozen water at Katy Win mobile home park. In both cases, the problem was on the customer's side and was not a village issue. Snow was picked up two times from Main Street, School Street, Pearl Street, and Railroad Street during the last month. Normal winter sidewalk maintenance was completed daily as well as needed equipment repairs. Insulating rubber gloves, sleeves, and blankets were sent out for 3-month testing.

Troy created an invoice for the village costs related to the car-pole accident on Clay Hill in late January, which we sent to the driver's insurance company to seek reimbursement. Meredith and Troy had a Zoom call with Lion Electric to discuss next steps with the bucket truck purchase and the disposal process for the old vehicle. They also met with the town highway foreman to answer any questions he had about the Pearl/Clay Hill sidewalk project as part of our request for a town right of way permit. Troy worked with Meredith to complete the 2021 electric and general department budgets.

9. *Food Shelf Request for Wheelchair Ramp Funding*

Meredith said the food shelf is asking to add a wheelchair ramp and seeking funding from the town and the village.

Dorigen Keeney said the food shelf volunteers would like the food shelf to be handicapped accessible. The stairway is 7 ft. wide which gives enough room to put in a 4 ft x 12 ft. ramp and still leave 3 ft. for people to walk up the steps. They have had an issue with ice buildup on the corner of the steps and the carpenter who gave them an estimate of \$2,780 included a roof extension to prevent ice buildup.

Scott said this is an ADA issue that has never been addressed. We have to do this. His concern is whether there is enough space to have both a pedestrian right of way and the ramp. He thinks a walkway needs to be 36 in. He is wondering if 4 ft. is enough for a wheelchair ramp. Dorigen said she looked over some suggestions for ramp width and 4 ft. seem to be the suggestion. They considered maybe having the ramp coming up the front or back side but in the front there is snow sliding off the roof and in back people would have to come up the berm from the road. A new road would have to be created and kept plowed. Meredith pulled up some ADA ramp specifications and said she is seeing that ramps must be at least 36 in. wide, so 4 ft. for the ramp seems sufficient. We should just double check whether 36 in. is the width needed for pedestrian walkway. Dorigen pointed out that the ramp can also serve as a pedestrian walkway.

Scott said the cost of approximately \$2,800 would be split between the village and town. He suggested the village might want to authorize a \$1,500 contribution just to be safe.

Dorigen said the food shelf also wants permission to tear out a small counter inside. There would be no cost to the village. The food shelf would pay for it. They need a produce refrigerator and they need to remove the counter to make space for it.

Scott asked who would do the work. Could it be done by Boy Scouts or a volunteer? Dorigen said she was waiting to get permission before looking for someone. She was thinking of using a professional because she doesn't want damage done. Meredith said for insurance purposes she would tend to agree with hiring someone to do the work.

Dorigen said the food shelf was able to get a grant for the refrigerator.

Will ask if the place where the cabinet is now is the best place for this refrigerator or the only place. Dorigen said it is the only place.

Will asked if they only got one quote so far for the ramp. Dorigen said yes. Will said he will not be comfortable with getting just one quote. He would like to see a motion authorizing going with the best of three quotes. Steve agreed that one or two other quotes would be good. Dorigen said if board members have suggestions of people to get quotes from they can email them to her.

Will moved and Steve seconded to give permission for the food shelf to remove a corner cabinet and replace it with a refrigerator.

Kyle said she used the contractor who provided the estimate and he was excellent.

The motion was passed.

Will moved and Steve seconded to authorize spending up to \$1,500 for an ADA ramp at the building housing the food shelf, pending receipt of three bids.

Nat asked what the process is. Does Dorigen get two more bids and just go with the lowest one or does she submit them to the board or to Meredith? Scott said he thinks if Dorigen can get three quotes she can send the information to Meredith, who can send it to the board, and then the board can vote on choosing a bid. The town and village will both need to agree. It might be beneficial to

supply the information to Eric Osgood as well. Nat asked, if Dorigen gets three quotes and goes with the lowest one, it still comes back to the trustees and the selectboard? Scott said he is not in favor of automatically giving the contract to the lowest bidder. Nat asked, you want another vote from the trustee board before choosing a bidder? Scott said he thinks that would be wise. Steve said he agrees that we should not necessarily give the contract to the lowest bidder. We would want to consider all the factors.

The motion was passed.

Will said the tech center used to do non-profit projects. He doesn't know if they are still doing that. It would be worth reaching out.

10. *Update on Advanced Metering Infrastructure (AMI) Project*

Meredith said the advanced metering infrastructure project is being led on behalf of members by VPPSA. These meters, also known as smart meters, are the norm for GMP and Vermont Electric Coop. They are much more functional meters than what we have. Most VPPSA members don't have any smart meters. VPPSA staff has been hearing from the State Department of Public Service and the Public Utility Commission that they want pricing and initiatives started that would require smart meters to make them happen. The pressure from the state to bring smart meters to smaller utilities will only grow. For about the last 2 years VPPSA staff have been working to develop an RFP for smart meter vendors. They picked a vendor and got initial cost proposals. Now they are working on the business case – costs and benefits of smart meters. We are not committed to purchasing smart meters. It would be a waste to only replace electric meters and have staff still need to read water meters so we are looking for infrastructure that could do both.

Will ask why the state is pushing for this. Meredith said a lot has to do with renewable energy standards and the desire to reduce greenhouse gas emissions. There is a desire to increase the number of electric vehicles. Many believe that utilities need a rate specifically for electrical vehicle charging. The idea is to ensure that people with electric vehicles do not charge them during peak times by giving a lower rate during off peak hours. To do that effectively, you need smart meters in order to know when charging occurs. That is one of the big driving forces. There are others.

Will said for him half a million dollars worth of labor is a lot. Meredith said bigger utilities with dedicated meter readers could have savings with smart meters because they would need fewer employees. Our line workers do meter reading. The hours freed up by using smart meters would just be allocated to other projects and there would not be payroll savings. She agrees that the business case is not going to be there in terms of dollars and cents but there are requirements from the state that we are not going to be able to avoid. There are things they will require us to do that will require smart meters and if we are not going to do it we need a good reason why not.

Will ask what department this pressure is coming from. Can we reach out to our legislators? There cannot be that many electric cars to make it worth spending this money.

Meredith said the pressure is coming from the Department of Public Service and the Public Utility Commission. Some people at the Department of Public Service believe that electric vehicles are coming and we need mechanisms to control when all this new load is going to come. If everyone plugs in their vehicles at 4:00 or 5:00 p.m. on the hottest day of the year we will have problems with the grid. We need infrastructure smart enough to avoid grid problems. They are also saying

we need to do more to incentivize electric vehicles and to do that we need a smart enough meter to know when people are charging them. Johnson would not be alone in being skeptical of this. Other utilities are asking how they can possibly afford this and how it makes sense.

Steve asked if we can spread out the cost over a few years. Meredith said she is not sure if we could replace the meters gradually and have a mix of meter types. VPPSA is trying to figure out a funding mechanism if any VPPSA members want to move forward. Maybe VPPSA would fund it so members could pay over time. At some point the board will have to decide if we want to move forward and let VPPSA know.

11. Review Draft Electric, Water and Sewer Department 2021 Budgets

Meredith reviewed the water budget. She and Dan made one change since the last time the board saw it. Every 5 years we need to inspect the reservoir. It was last done in 2016 and is due to be done again. So they had to include the cost of that, about \$1550. She and Dan do not think it is likely, but there is the potential that a need for us to clean the tank will be identified. Dan said the report from 2016 showed that sediment was less than 1/8 of an inch thick. They chose not to clean it at that time. When it reaches around half an inch is when it needs to be cleaned. If cleaning is needed the cost is \$4300.

Will suggested only budgeting the \$1550 needed for cleaning and keeping in mind that we may have to pull money from reserves if cleaning is needed. Meredith said she did not include the cost of cleaning in the budget. If it turns out that we need to clean, maybe it could be done early in 2022, in the next budget year.

Scott mentioned that in the past the reservoir was drained to be inspected. Dan said now it is done by remote camera.

Meredith said she balanced the water budget by adding about \$12K from the reserve fund to close the gap between revenues and expenses.

Meredith reviewed the wastewater budget. She said she and Dan had been trying to figure out why contracted services expenses for H2O Innovations were higher than budgeted. It turned out that the cost to have Wind River (formerly Hartigan) come in for cleaning, about \$4800 a year, had been coded there as well. That was why it was over budget. Dan suggested adding that cost to collection system maintenance so she increased that to \$10K. That was an increase to the budget. She had to budget for pulling \$17,566 out of reserves to balance the budget. The wastewater budget did finish 2020 in the black, in the range of \$20,000.

Diane asked what the total amount of reserves is. Does each department have a reserve fund? Meredith said yes, each department has its own set of accounts. Rosemary doesn't have year-end numbers yet. At the end of 2019 the sewer reserve fund had about \$138K. She thinks at the end of 2020 we should have around \$150K available. At the end of 2019 the water department had about \$100K on hand and the department finished about \$40K to the good this year so there will be well over \$100K available at the end of 2020. Pulling the suggested amount out of reserves to put toward this budget is doable.

Meredith reviewed the electric budget. She said we tend to be conservative when we budget. For the last 5 years we have budgeted to be in the red every year. In 2019 and 2020 the budgets were

only balanced by pulling from reserves. In each of those five years we either finished to the good or would have finished to the good if depreciation, which is not an actual cash payment, were not included.

Will asked if depreciation is on the equipment, the infrastructure or both. Rosemary said it is on both. Will ask if the depreciation is just an accounting figure or if it is meant to give us a budget for replacing equipment. Rosemary said it is more of an accounting thing.

Meredith said she anticipates ending 2020 with electric department cash on hand, including reserves, of \$262,172. That is far lower than it has been in the past. In the past it has been over \$700K. The powerhouse demolition used a lot of the money.

Will asked what other projects are in the works that will require large amounts of money. Meredith said Troy could give a list of infrastructure projects that need to get done. The last time the village went for a rate increase there was discussion about doing voltage conversion for our system and having rates that would allow us to move forward with that. We have since made multiple reports to the state saying that we don't see a business case for voltage conversion. Our line losses are comparable to higher voltage systems. We have told them we will keep evaluating whether it would be to our benefit to do it and they have been okay with that. The crew started work last year on 100C and needs to finish that. Work needs to be done at the substation. We could easily spend the \$262K. That is why Meredith thinks once we are through the pandemic we need to decide if it is time for a rate increase.

BJ asked if we have anything in the budget for the village garage. Meredith said she has not included any cost beyond hiring an engineer to evaluate the current structure and 6 months of providing a mobile office. She didn't have enough information to know what other costs there might be. Eventually when we have more information the board will need to decide if we want to spend money at that location. No matter what, Meredith thinks we will have to borrow money to do that project.

Steve asked, if we were to decide we needed a rate increase, how long does that process take from when we decide to when it goes into effect? Meredith said she has not been through that process. She thinks that we can do an across the board rate increase and start collecting it within around 6 months. But she will get a better answer.

Scott said the state came in to review the village garage and in the consultant's report nothing was mentioned about imminent danger to employees. There weren't any serious hazards noted on site, basically because there are no standards for mold. The village has big concerns about the building and the potential for immune response. But because of Covid we don't have a lot of staff time in the building, which reduces the risk.

BJ said the condition of the building is a health issue. We don't know what the long-term effects are. He feels it should be at the top of the list. Scott said it is at the top of the list.

Diane said she was reading a report about the electric department and she thinks she read that we might have excess capacity and that we can sell that capacity. Is that true? Meredith said yes. That is managed through VPPSA. They manage the power supply process. Every day we are buying and

selling energy and capacity. That is part of what we do to control costs. It is all done in a market setting run by ISO New England. It is not something we do in-house.

Meredith said for the first few years she was here, when we budgeted a deficit she showed a bottom line in the red in the village report. Based on discussion with trustees and people in the public questioning whether we are supposed to pass a balanced budget, she started showing a balanced budget but was clear that it was only balanced by pulling from reserve funds. We can show that we are pulling from reserve funds and show a bottom line of zero. Or if the board prefers to show a deficit she can do that. For her it is important that if we show a balanced budget we are clear about how we get to that. It probably would be her recommendation to show a balanced budget and be clear that we had to pull money from reserves to get there.

She noted that we don't budget depreciation for our other departments, only for the electric department. She questioned the executive director at VPPSA about whether she really needs to budget for depreciation. His advice was to keep depreciation expense in the budget because otherwise we could not include it as part of our reasoning for a rate increase. The electric department is overseen by the Public Service Department and they need to okay any rate increase. That is not true for the water and sewer departments.

In answer to Meredith's question, Rosemary said she thinks \$90K would be enough to budget for depreciation. Meredith said that brings the bottom line to about negative \$138K. We need to bring that much out of reserves to balance the budget.

Will said he would like to show the deficit at the bottom with an explanation as to how we came to a balanced budget by drawing from reserve funds. Meredith said she thinks that makes sense. Steve said he agrees with Will.

Meredith said an addition since we last looked at the budget is for transmission system maintenance. Morrisville Water & Light is working on getting a quote for work on the transmission line we are 15% owners of and she budgeted for our 15% of an estimated \$20K, including labor.

12. Approve 2021 Electric, Water and Sewer Department Budgets

Will moved to accept the water, wastewater, and electric department budgets as presented tonight, BJ seconded and the motion was passed.

13. Approve Green Mountain Resolutions Moderator Services Agreement

Meredith said Green Mountain Resolutions is going to send an agreement for 2 hours of moderating services for \$150. This is about 50% of what that moderator normally charges.

Will moved and Steve seconded to authorize Meredith to sign the agreement with Green Mountain Resolutions from moderation at the upcoming special meeting.

Kyle asked if Meredith could summarize what this is about. Meredith said one person recommended as a potential moderator was Brian Miller, whose company is named Green Mountain Resolutions. After the last meeting she indicated to him that the maximum the board was comfortable spending was \$150, which is normally equal to 1 hour of his time. He agreed to do two hours for \$150. He indicated he would send a basic agreement and Meredith is looking for board authorization to sign it when it arrives.

The motion was passed.

14. Set Date for Special Trustee Meeting

Meredith said Brian Miller indicated he would be available on March 15, 22 or 29. The selectboard is meeting on March 15 and March 29 is our information meeting so it seems like March 22 would be the best. Arjay and Athena both indicated they could come then. Board members said that day would work.

Meredith asked if that date is a major conflict for any members of the public who requested this meeting. She anticipates the meeting would be from 6:00 to 8:00 p.m. No one indicated they had a conflict.

Will moved to schedule a special meeting on March 22 from 6:00 to 8:00 p.m., BJ seconded and the motion was passed.

Meredith said she will reach out to Brian Miller tomorrow and confirm that date and then warn the meeting.

15. Review Customer Renewable Energy Standard Tier 3 Incentive Payment

Meredith said Efficiency Vermont and VPPSA are working with a customer who is interested in putting an electric heat pump on the roof of their building. It could serve as a Tier 3 project under the Renewable Energy Standard. For Tier 3, we are required to work with customers to reduce fossil fuel usage. If we provide an incentive we can claim Tier 3 credits. VPPSA recommended that we provide a \$1000 incentive. That would pay for about a quarter of our Tier 3 requirement. We will not see the savings in 2021, but if we spend \$1000 for the incentive in 2021 it will save us about \$1500 in 2022. This project would cost us less per megawatt hour than other typical Tier 3 projects. Scott said if we don't meet the requirement we have to pay a penalty. Meredith agreed. There is a penalty payment for each megawatt hour of the Tier 3 requirements that we do not meet and the penalty is more expensive than this incentive. The \$1,000 is a fraction of what a compliance payment would be.

Will moved to approve offering a \$1000 incentive to a customer for installing an electric heat pump, Steve seconded and the motion was passed.

7. Adjourn

Will moved to adjourn at 7:55 and the motion was seconded and passed.

Minutes submitted by Donna Griffiths