

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, SEPTEMBER 10, 2018

Present:

Trustees: Gordon Smith, Walter Pomroy, Scott Meyer, Bob Sweetser, Phil Wilson

Others: Meredith Birkett, Rosemary Audibert, Troy Dolan, Peter Danforth, Peg Rowe

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:00.

2. *Changes, Additions to Proposed Agenda*

Walter added discussion of where the selectboard is with their loan fund and where the village might possibly want to go. Scott added an update on the recent community meeting. Gordy added discussion of a congratulatory letter to Rebecca Towne. Meredith added an update on the municipal building and a request from the town to write a letter of support for their Municipal Planning Grant application. (*Peter Danforth arrived at 6:04.*)

3. *Review and Approve Minutes of Trustee Meetings*

Walter moved to approve the minutes of August 13, 2018, Bob seconded and the motion was passed.

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

Rosemary said she will send a reminder notice to Belvidere about the fire service payment.

Walter asked if we locked in a price for heat. Meredith said we did for propane. The lock-in price for oil was quite a bit higher than what we paid last year so we decided not to lock in.

Walter asked if there is a reason sludge expense is so low. Meredith said she can ask. She hasn't heard of anything.

Rosemary said we have the draft 2016 audit report from Gene Besaw's office. She has a representation letter that needs signatures from her and the chair. **Walter moved to authorize Gordy and Rosemary to sign the management representation letter for the 2016 audit, Bob seconded and the motion was passed.**

Scott said it seems like they are letting us know a lot of things are wrong on the 2017 audit. Rosemary said those are their suggestions. Scott brought up a suggestion about out of date forms. Rosemary said all the main employees but one had I-9 forms for 2016. She doesn't make the trustees do a new form every year. The fire department redid their I-9's in June 2017.

Walter brought up the suggestion about timesheets not being approved. Troy signs timesheets for his crew and Rosemary signs timesheets for office employees. Rosemary said no one signs hers. And no one used to sign Tom's and Steve's but we don't have those now. Walter suggested that either Gordy or Rosemary should sign Troy's timesheet. Gordy said he would

rather see Rosemary sign it. Rosemary suggested that she sign it and that Gordy come in to look at it. He agreed to that.

Phil brought up the suggestion about cash on deposit above the federal protected limit. Rosemary said that is one thing she needs to address. There have been some years when we had enough loans in the bank to offset it but now we don't. Walter suggested opening additional accounts. Rosemary asked if there are any laws against using a credit union. Walter said no. Rosemary said they usually have better rates. They are not FDIC insured, but they have different insurance.

Some of the other suggestions relate to information the board should review. Scott asked if some of the information could be added to board packets. Rosemary said she can do that. (*Peg Rowe arrived at 6:22.*) Rosemary asked if anyone wants to review the journal entries. She said the village auditors say they look at them; she doesn't know how often. Does the board want Meredith to approve them? Walter said yes. He said the important thing is to have a second set of eyes look at them. Meredith agreed to review them with Rosemary.

Rosemary asked if the board wants to pay Gene Besaw. Only half of the cost for the 2016 audit has been paid so far. Walter said he would wait until we have the final document before cutting a check. Rosemary said they are ready to do the final report. They are just waiting for our approval. She hasn't studied every page yet but nothing looked obviously wrong so far.

Walter moved to authorize Rosemary to authorize Gene Besaw to issue the final 2016 audit report once she is happy with her final review of the draft, Bob seconded and the motion was passed.

Rosemary said delinquent taxes are only 1.7%. Everyone has been sent a notice that they are delinquent. Seventy-five percent of the delinquent properties are trailers.

5. ***Stormwater Management Plan Discussion***

Peter Danforth, Lamoille County Conservation District director, said he has been working with Hyde Park and Morrisville on stormwater master plans. Meredith said at a joint selectboard-trustee meeting it was discussed briefly that LCPC had suggested doing a stormwater master plan. We had a lot on our plate and didn't pursue it. Peter said a stormwater master plan is intended to provide watershed stakeholders a way to identify and prioritize future stormwater management projects. Hyde Park and Morrisville have been working with Watershed Consulting to do hydromorphic and geological assessments. The master plan allows a town or village to look at at least 20 different projects that could happen and rank them according to variables. Then he would meet with stakeholders and go over the possible projects and determine whether or not they are feasible and what is in the best interest of the community. The idea is use this tool to get to a point where you can determine what in the town is a priority to fix. It provides an objective analysis. It doesn't take much money to do a stormwater master plan. Hyde Park and Morristown got a grant for a stormwater assessment that was about \$30K and he thinks they put in 10-15% of that amount. He or the Planning Commission could administer the grant. They would write the grant proposal.

Walter asked if a stormwater master plan would help us get grants to pay for projects. Peter said yes, it would be hard not to get a grant.

Peter said LCCCD will probably do a project with Northern Vermont University's Johnson campus in the spring. They want to rip up a parking lot anyway and do a stormwater project at the same time.

Scott asked how large landowners with high areas of runoff, including the town, village and college campus, can all work together, because we all affect each other. Are the town and college doing a stormwater master plan? Peter agreed that is best to all work together. Meredith said she thinks Peter will go to the selectboard. Peter said he hopes to. Scott said he thinks we have a social responsibility to do this but we have two other partners that need to be engaged. Walter said the state needs to be involved too, because of Route 15. Gordy said there is also the question of who owns the storm drains, the town or the village.

Peter described some pre-existing data that can be used.

Walter asked how this relates to flood control. Peter said we would hope it would help. The point of stormwater mitigation is to prevent so much runoff into rivers. It does prioritize the phosphorus loads. Walter said controlling stormwater coming off the hills will help control flooding issues. He said logging on Mount Norris affected the Gihon a lot. He doesn't see how any stormwater projects in Johnson would help with that as it is outside our borders. Scott said he thinks we have enough issues in our own town.

Peter said he just wanted to see the village's level of interest and advise us about a grant cycle deadline in January.

Walter asked Peter if he thinks it is more effective if the town and village go in together. Peter said yes. They would have to work together to make it work.

Walter said he is in favor of it, but Meredith and Troy have a lot on their plates. Scott said he is for it. Walter said we need a few more details and we need to know if the town is interested, but he is all for it. The board expressed interest, though Bob said he would not vote for it. (*Peter left at 6:57.*)

6. *Excess Water Use Application*

Peg Rowe said she had a water leak between her house and her barn. Meredith said her understanding is that the line would have to be dug up to fix the leak but the water is now turned off from the house to the barn. Two months of Peg's billing was impacted. The request is to adjust her billing for two months. The village's policy allows for that. If the water bill is adjusted to the average of the last 3 months and the sewer bill is adjusted to the highest amount from the last 12 months, then the total adjusted bill is \$68.29. **Walter moved to adjust Peg Rowe's water and sewer bills for the months of June and July to a total of \$68.29 and the motion was seconded and passed.**

7. *Water/Wastewater Report and Action Items*

Meredith said the two new submersible pumps were installed at Highland Heights pump station. Both were coming on at the same time so the electrician had to come back out and

make some adjustments. We are waiting for an updated quote from Hallum for the PLC and SCADA upgrade. We ordered a replacement float for the influent wet well that is not operating properly and ordered a spare as well. We had an SBR #1 decanter VFD fail. We ran off one SBR for the weekend. Pioneer Electric had a spare and it was installed the next business day. We assisted the Public Works Department with changing a check valve at the Katy-Win trailer park meter house. There was a distribution line water leak on Lamoille View Drive. Those service lines went under a boil water notice for 48 hours until both lab results came back negative. Water loss was 17% for the month.

Meredith said she has updated estimates from two companies for work on the backup well building. G.W. Savage's estimate for removing mold was \$3625. Servpro's estimate was \$3309. G.W. Savage would also put back insulation and drywall after removing it.

Scott said he would rather not put in insulation and drywall. Meredith said Dan has concerns about not heating the building. There was discussion about different kinds of insulation that could be used that would be less susceptible to moisture. Meredith said Dan feels some level of insulation and heat is needed to protect the systems but she agrees that we can't recreate the environment we have now. The big heaters there haven't been used in a while. Maybe we could invest in a new small heater.

Scott asked, do they know where the moisture came from? Meredith said she thinks just from the dankness of the building. Nadeau is okay with some tree trimming. She doesn't think either company included an estimate to install ventilation, like louvers. It looks like we will need to spend around \$3500 to remediate and then we will have to decide what to install. Phil asked if there is a dehumidifier. Meredith said no.

Bob asked what we need vinyl flooring for in that building. Others said we don't need it.

Bob said he doesn't know why we need heat. Meredith said she thinks for the pipes. Bob said just the downstairs part of the building could be heated and the upstairs could be ventilated.

Walter asked why they go in there every month. Meredith said to take water samples.

Scott said if the building is designed wrong it could be considered a confined space so we should make sure it is not designed like that.

The board agreed the building should not have sheet rock, fiberglass insulation or vinyl flooring. Scott said he thinks blue board is a good choice. Foam insulation has harmful chemicals that people can be exposed to when spraying it. He would not want village employees exposed to it.

Bob suggested that a 3-foot wall-mounted heater would heat the space.

Meredith said she will do more research on the options. The board agreed she should move forward with remediation.

8. Foreman Report and Action Items

Troy said his crew has continued changing poles and cross arms on Railroad Street. They started framing the new poles near the twin bridges, preparing to pull the three phase wires to the other side. They replaced a pole near the beginning of Foote Brook Road that will be used for the installation of a voltage regulator for Just Send It Solar LLC. They are waiting for the manufacturer of the regulator to change the control cable and program the panel before the regulator can be installed. They have continued right of way cutting near the end of our line on 100C. The crew completed various Dig Safes, monthly meter readings and disconnects.

The water pump that feeds the cold spring was replaced. Holes in the sidewalk on School Street were patched. The area where the water leak occurred on Lamoille View Drive was prepped and repaved. The crew assisted the fire department by pulling off hoses and filling trucks during the fire on River Road East.

Another water leak on Lamoille View Drive was repaired last month. The condition of that line is very poor. There is a lot of corrosion. A broken curb stop riser behind the Woolen Mills was replaced.

Since moving up to Lineman 3rd class C both Chan and Jeff have been climbing multiple poles and working out of the bucket. They are accumulating time toward their required 8000 hours of on-the-job training.

Troy worked with Altec to have warranty repair work completed on the new bucket truck. The fuel filler neck and 2 axle seals were replaced, as well as all 6 tires. A complete service was also done. All work and materials totaled \$2500 and was paid in full by Altec. All tools and materials to outfit the truck have been ordered and installation of the radio and village logo have been scheduled.

Troy recently ordered \$2700 worth of materials and hardware to replace stock we have used during the recent pole replacements and system maintenance on Railroad Street. He has been in contact with Consolidated Communications related to the pole replacement on Route 100C and removing various old poles in our service territory. He was told by their area engineer that they currently do not have the manpower to set or replace poles. We have been asked to replace poles ourselves and bill them.

Meredith said the Lamoille View water line is in very poor condition. She reached out to Elizabeth Emmons to get a cost estimate. The sewer line there is also very old. It is clay tile. Troy said we haven't had issues with the sewer line.

Walter asked about where our line ends and where the laterals begin. Troy said he doesn't know for sure.

Meredith and Troy said the water and sewer lines run close together. Nowadays a minimum 10 ft. separation is required but that didn't use to be the case. Meredith said if we dig it up the idea would be to try to get to the 10 ft. separation.

Walter asked about catch basins in that area. Troy described where they are. He said all are in poor condition. Walter said if we tear up that area it would be best to replace all 3 catch basins.

Meredith said the estimate to replace water and sewer lines and 3 catch basins is about \$310K. There are multiple funding sources. But we would have to wait to see if we qualified and probably would not be able to begin construction until 2020. That is a long time to wait with the poor condition of the pipes. Another option is to apply for a loan from the Municipal Bond Bank. If we hope to go to construction in a year that might be the best way to go. She will look into that option further.

Walter said we have also been talking about the capital master plan and the River Road pump station. Is it better to slow this down and try to do more at once? Is it better to have one big bond than more small ones? Meredith said she will try to get some advice on that. She thinks waiting two years is probably not wise. She will do more research.

9. Manager's Report and Action Items

Richard and Nicole Whittemore have requested a 1-year extension for the water and wastewater permits for their property at 66 Lower Main West, which would extend their time to complete the connections to November 7, 2019. They are working on another house and won't get to this one this year. They paid the one year extension fee. Walter moved to approve the extension of Richard and Nicole Whittemore's water and wastewater permits for one year, seconded by Scott. Gordy said the Whittemores are buying a lot of buildings and fixing them up, which is a good thing. They are generating income for us. The motion was passed.

Meredith has been working with VPPSA to analyze the potential costs to sign on as a GMP transmission service customer with the idea that we would only use it as a back-up source for system reliability. There was hope that they would offer back-up transmission service for free. Their message was either we are a customer or we are not. There would be cost.

Meredith showed the board cost estimates for different scenarios – all our load, one day of our load at peak, one day not at peak and four months. She showed 3-year cost estimates because as soon as we take service it increases our future costs. If we took all our load through GMP the annual total cost would be \$49,420. For 4 months the cost would be \$26,490. For just one day that hit the monthly peak the cost would be \$8,000. If we never had to use their service but only had it as a back-up the cost would be only \$771 for the year.

Troy said it will cost \$200K to make this physically work. Meredith the first step is to decide whether we are willing to take on these costs before we consider infrastructure costs.

Phil said even if we had the ability to switch to GMP, if there were a catastrophic it would most likely affect the line from GMP as well. Damage is usually not localized. Meredith said there could be vandalism. Troy said there could be a pole fire. Walter said an ice storm can hit just one side of a mountain.

Walter said we would be paying \$700 a year for insurance and we would know our power needs were covered unless there was a really major event. He is willing to take the risk that

we might have to pay \$30K a year if we used GMP's power. Otherwise we would only be paying \$700.

Meredith said she wanted to know if she should schedule a meeting with GMP to discuss what infrastructure is needed for this. Scott said he thinks it would be smart to have an understanding of exactly what we need. Walter agreed. He said we may ultimately not do this now but if we know what equipment we need maybe we can get it as we do upgrades. He is very strongly in favor of being very redundant. Gordy said he thinks we should move ahead for redundancy. He would like Meredith to meet with GMP reps and see what equipment is needed and what the cost to install it is.

Walter asked, can we also retransmit to Morrisville and they could help share these costs? Troy said they are already tied on at the other end. Meredith asked, could we go through Morrisville rather than have our own connection to the B20? Troy said he is not sure. Walter said that is something to look into.

As October 8 is Columbus Day it was agreed to schedule the next meeting for October 15.

Meredith said she went through all of what we refer to as the village charter and pulled out all the powers and authorities granted to the village. She also listed all our existing activities, which need to be incorporated into the charter. Our attorney said we also need to come up with needs and wants that are in addition to what is already granted by statute and what we already do. She put down some ideas. She thinks we need a lot of trustee and public input.

Scott said one of the powers listed that we already have is the power to take from any water fountain, spring or stream. Can we actually do that under current state and federal law? If we are redoing this there are probably things listed that we can't actually do. Meredith agreed that there are probably a lot of things that current state and federal law won't allow.

Walter said the ten cents on the grand list was given to us by the town. If we start making changes to this, do we have to go to the town? If so, he may not want to go further. Meredith said she can ask that question. Walter said if that is the case then we should just make changes to the bylaws instead of repealing them and adding something new. Meredith said the advice we got previously is that bylaws are not the appropriate place to make the changes we want to make. We could ask how much we can fix without doing a governance charter. Walter said if we have to go to the town voters to see if we get ten cents we will lose. Meredith said she will focus in on that issue as a framework for whether we move forward or not.

Meredith reviewed her ideas for needs and wants. One relates to incompatible offices or positions. For instance, we could specify that someone can't be on both the selectboard and the trustee board. We have talked about having the clerk/treasurer appointed. There is the question of whether or not we want the ten cents on the grand list. One thing she has thought about is the potential to change the village annual meeting date. She finds it odd to pass a budget 4 or 5 months after the start of the fiscal year. Could we have our annual meeting in November?

Walter suggested adding making Meredith a formal manager, with all the duties that go with that. Gordy said we need a definition of storm drain.

Meredith said as part of the East Johnson sewer line discussion she raised a lot of questions about the details. Walter attended a selectboard meeting and put out the idea that maybe the village could expand the sewer system where we see fit. We have gotten back from the town that they don't love that idea. They may want to set up defined areas and give the village carte blanche there and not throughout the town. She thinks they want to use where the sewer goes to control development. Does the trustee board want the ability to go anywhere in town with the sewer system or does the board want to go along with the town's idea of setting up new town sewer service areas and limiting sewer to those? If the board wants more freedom she will need to work with our attorney to see how the intermunicipal agreement might impact that. Our ordinance says the limit of the village is the limit of our sewer service area but we could change our own ordinance. Our charter says we have the ability to put sewer in the Town of Johnson. A question she has is whether the intermunicipal agreement puts any limits on our ability.

Scott said he is worried about a developer being allowed to connect to the sewer system in one place and another developer in a different place not being allowed to. He doesn't want to get caught up in the middle of that for liability reasons. Meredith said she doesn't think the village would get caught up in that if we are not making the call. Her hope was that if we are taking over East Johnson we could get rid of the two-step process for landowners.

Walter said he would like the ability to go further down Sinclair Road and hook people up if the property owners will build the connections. He would make decisions to expand the system based on economics.

Meredith said she is hearing that most board members would like flexibility to go wherever we think makes sense and not be limited to a defined town sewer service area. She will go to our attorney and ask him to evaluate if we have that authority and then we can go to the town and tell them what we want.

Gordy said Eric called him about a week and a half ago wondering if he, Meredith and Brian could sit down and go over scenarios. They have not gotten together yet. The selectboard is meeting a week from tonight.

Walter said the town needs to come to a final decision about whether they are going to use the location of sewer lines for control. He feels we should do nothing and not pay for any lawyer time until they make that decision? Meredith said Eric said they are proposing to designate town sewer service areas. We could do what we wanted within that area, with no two-step process. She feels we have the town's position.

Walter said he doesn't want to expand the sewer system into areas where the town does not want it. He would like them to sign off on it; he does not want to force it on them.

Bob said if people can get village sewer their property will be worth more and they will pay more in taxes.

Scott said after the recent paving on Clay Hill there is a manhole cover that now is 3 inches below the grade. Troy said he was asked to raise that manhole cover by an inch and a half before the paving but he thinks they brought in more asphalt than they planned.

Meredith said she will check with our attorney. She is hearing from Walter that even if our attorney says we have the existing authority to go wherever we want we still want permission from the town. Walter said he doesn't want to create a fight. He would like the ability to go everywhere but he is not going to force it. Bob and Phil agreed. Meredith said she is not sure we should limit ourselves if it is in the best interest of our customers and ratepayers to expand. We are looking to increase our customer base.

Meredith said with the drought springs are running dry. We got a call asking what the village can do and Arjay told Meredith that the fire department brings water to people who are out of water. They have a verbal conversation saying the water is not potable. Meredith thinks perhaps they should put that in writing and have it signed. Water is now provided for a donation. Meredith questioned whether that is fair for ratepayers but Gordy pointed out to her that the amount of water delivered is only worth about \$2. Are the trustees comfortable with the current practice?

Scott is as long as it is not happening all the time he is comfortable, but for liability reasons there should be a written notice that the water is non potable.

Bob asked if it is village water we have chlorinated. Walter and Scott said yes, but once it goes into the tanker it is not considered potable.

The board agreed that there should be a written notice that water delivered by the fire department is not potable.

Meredith said the municipal building work will hopefully be wrapped up by the end of this week. We have gotten two invoices, one for \$15K and one for \$30K. So far costs are almost exactly what was quoted for the whole project between the town and the village. She estimates we will be over budget by about \$5K.

The town is asking for a letter of support for the town's Municipal Planning Grant application. They are seeking funds to complete the design of the road for the industrial park. The board agreed to provide the letter of support.

Gordy said Rebecca Towne will be the new CEO at Vermont Electric Coop. We have had a good working relationship with VEC. He suggested building on it by writing to congratulate Rebecca on her new position. It was agreed that Meredith will write a letter.

Gordy said he has heard from several people that they really appreciate the village newsletter.

Walter asked how many people have signed up for e-bills. Rosemary said 4% of customers. Meredith said she will put a reminder about it in the next newsletter.

10. Town and Village Revolving Loan Funds

Walter said he went to a working meeting the selectboard had that was mostly just about the revolving loan fund. They have to move quickly on setting up their fund or they lose the money. They are drafting a document similar to ours. They are probably going to hand the whole thing over to John Mandeville and LEDC and form a loan committee. The question is whether we should hand ours over to LEDC too and let the single loan committee and LEDC handle it all. Another thing is that it looks like our interest rates will be lower than theirs for small loans. People will go to us instead of the town. He sees the village's role as giving small, quick loans while the town gives bigger loans. We have a minimum of \$1K and they have a minimum of \$5K. They have a 2-tiered interest rate. It is higher on loans under \$10K. We will be in competition with them for loans inside the village and those outside the village who want small, fast loans will have nothing. But we have no restrictions on our loan fund. The question is whether we should open our loan fund up to anyone outside the village. He thinks Johnson citizens are best served if the town and village are working together. He got the town to agree to add flood resiliency, renewable energy and energy transformation to the list of things money can be loaned for. He would like the village to make the same additions.

Gordy asked if handling the loans locally takes up too much time. Will Rosemary be affected if we let LEDC handle them? Rosemary said she would think LEDC would do all the loan worthiness. Gordy said there would be a fee. Gordy said he likes keeping it local if we can. Walter said he is somewhat in agreement but if something big happens we may want to go into something jointly with the town. Meredith said if there were 10 loans a year, that would be time consuming. The current level of activity or a little more would be fine but if there were a lot more loans it would be challenging.

Phil said if LEDC handled both it would be more seamless for the customer. Walter asked, if there were a loan committee how would it divide up the money? The town has restrictions on how they loan money while the village is completely unrestricted. Our money is easier to loan than the town's. LEDC might identify an application as not fitting into the town's guidelines so they might decide the loan should come from the village. But what if the customer is not in the village? Scott said we would lose some local control. Bob said he is in favor of local control. Walter said the loan committee would be local people. They would make recommendations to the selectboard. He feels maybe we would still be in the niche of just giving small loans to village residents unless the town comes to us about a large project we may want to be involved in.

Walter noted that the town has to lend out a certain amount of money or the state will take it. He threw out the idea at the selectboard meeting that the town could loan the village money.

11. Community Meeting

Scott said he and Walter were at the recent community meeting. Nat Kinney and Dan Noyes were also there. There were some big concerns about attitudes in the village, town and county. There have been racial slurs, vandalism, and graffiti. There were some racial slurs toward people at a camp in Stowe and they said they would never come back to Stowe again.

Studio Center residents heard similar racial slurs on Route 15. The Town of Stowe wrote a letter to the camp apologizing and saying that is not what they stand for. Some community members and lawmakers signed the letter. Eric Osgood felt what happened on Railroad Street recently was no business of the town but Scott feels it could be good for the town to step up and say we don't condone that behavior. It might be a good idea to send a message to let the Studio Center know the village doesn't tolerate hate and to apologize for the recent incident.

At the community meeting people talked about restless teens and graffiti. The idea of a teen center came up again. Boredom can drive bad behaviors. He is not sure we have a venue for a teen center. Maybe the college or Studio Center would want to get involved. Maybe what is left of the mill building we co-own with the town could be used.

Scott said it sounds like there is a great deal of grass roots energy. People want the town to be healthy and safe. They want young families moving in.

Walter said ultimately these things can't be solved by village or town governance. They have to be solved by the community. He feels the churches should have stepped in on the racial issue. We need to be ready to support and help but it is really up to the community. He was disappointed by the number of people at the meeting.

Meredith asked if the board would like her to write a letter to the Studio Center as suggested by Scott. The board agreed she should.

12. Adjourn

Walter moved and Bob seconded to adjourn at 8:50 and the motion was passed.

Minutes submitted by Donna Griffiths