

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES  
JOHNSON MUNICIPAL BUILDING  
THURSDAY, DECEMBER 11, 2014

**Present:**

Trustees: Gordon Smith, Ellis O’Hear, David Goddette, Walter Pomroy, Chris Parker

Others: Duncan Hastings (Manager), Steve Towne, Troy Dolan

**Note: All votes taken are unanimous unless otherwise noted.**

**1. Call to Order**

Gordy called the meeting to order at 6:09.

**2. Electric Department**

**Gordy moved to go into executive session to discuss personnel issues related to the electric department, with Troy and Duncan invited to remain, Chris seconded, the motion was passed and the board entered executive session at 6:12.** Troy left the executive session at 6:34. The board came out of executive session at 6:49.

**3. Municipal Manager Report and Action Items**

Duncan said the day after the board approved the new purchasing policy he heard from the Homeland Security auditor that we need to include 2 more things in the policy. The policy needs to require that before we award a contract we check to see whether a vendor has been disbarred or suspended from contracting with federal entities. (We already do that.) We also have to have a conflict of interest policy. Duncan created a new version of the policy that includes the requirement to check whether vendors have been disbarred or suspended and a paragraph about how we will avoid conflict of interest. It states that a conflict of interest policy will be an addendum to this policy. By consent, the board approved the updated version of the purchasing policy.

Duncan presented Steve with an award from the VPPSA directors in appreciation of all the work he has done on behalf of public power and as an alternate VPPSA director.

**4. Electric Department Discussion/Action (continued)**

Walter asked what the long term plan would be if we decided to keep our electric department. He is hearing that we need 4 people. We have 3 line workers and one is leaving. We don’t have someone who can do a lot of the administrative work Steve does. To him, the hybrid solution doesn’t work unless we have a plan to move back to a fully staffed electric department.

Gordy said his thought is that we would keep our 3 line workers and bucket truck. We would outsource the work Steve did and our crew would handle small jobs. For anything requiring a bigger crew we would have Morrisville Water & Light come in and help. When Cliff retires he would like to downsize to 2 line workers, but he would still like to keep 2. They could serve as a “trouble crew” to go out and identify the cause of any trouble. They might be able to fix it or they could call for additional resources. He wants to see our service restored as quickly as people have come to expect. Someday down the road, if municipal electric utilities in this area don’t all join together, they will become a thing of the past, but he would like us to hang on as long as we can do it effectively.

Steve said we have to have the same equipment and training as VEC and GMP. With today's regulations, costs have grown immensely. Revenue has to offset those costs and we spread the cost over a smaller number of meters than larger utilities. We have three major line projects going now. When the twin bridges on 100C are replaced we will have to replace our lines there. Someone has to figure out how to design our power line in that area. A line on West Settlement Rd. is moving to Route 15. We need someone to be a liaison with Fairpoint and do power line design work. Duncan doesn't know how to do that work.

Walter said Gordy is basically saying that in a year we will be making this same decision, so why wait? It sounds like Gordy is saying we will handle connections and disconnections, have a trouble crew, and do tree trimming, and Morrisville will be doing everything else. None of our employees can handle the substation. For anything major we need 4 people and we won't have them. It sounds like Gordy is saying he wants to run a more expensive electric department for a year, maybe increasing rates, then revisit the whole situation and possibly make a switch. He can see using a hybrid solution to give us time to rebuild, but he doesn't see using it as a stopgap if we are going to end up contracting out all the work anyway.

Ellis said we could contract to Morrisville and then find they aren't doing what we want done. Walter said we would still have our 3 employees. He is willing to keep the bucket truck for now or lease it to Morrisville for a year. We will know in a few months how it is working out, and if it is not working out we can decide to rebuild.

Gordy said he doesn't see where his idea will cost more. One person is leaving who costs us \$120K and Morrisville is saying it will cost us \$120K a year for their services. There will be times they won't be able to get a crew here quickly and people will have to wait and service will suffer.

Chris asked, if we contract with Morrisville, will Troy and Nate be able to resolve some issues themselves? Duncan said yes, if we keep the bucket truck and all the equipment and keep the employees fully trained and certified. Do we want to keep a crew on, including all the expense to keep them fully trained, when we have 8-10 outages a year? Chris asked if our employees need training and certification to handle meters. Duncan said not for reading meters. There is some training required for disconnects, but a much lower level than what is required for a lineworker. They would not need specific training to assess an outage. Training costs \$12-15K per year.

David said the only way contracting with Morrisville makes sense to him is if we went with them completely and discontinued our electric department. If we're going to hold onto our staff it doesn't make sense to use Morrisville. Gordy said he is thinking we would use Morrisville for administrative work that our employees can't do. David asked if Morrisville is willing just to do that. Duncan said that is a big question.

Duncan said we also need someone here who can do things like take customer calls or meet with Fairpoint. That can't be done by remote control from Morrisville. A lot of what Steve does is customer service – responding to daily complaints, etc. Someone has to be here to take those calls. Gordy said that can be done in house.

Gordy said he talked to a VEC supervisor about the control boards at our substation that we have had trouble with. They could retrofit those. Duncan said that is an area we can pursue with VEC.

Steve said he doesn't think Morrisville is as strong as VEC when it comes to the substation. VEC is a good resource but they don't have the resources to do administrative work for us or contract to do our line work. Duncan said they have indicated an interest in working on our substation.

Steve said someone has to handle day-to-day tasks. Susan can't do that and he doesn't think Duncan can. He doesn't think we will have the ability to do it here when he and Tim leave.

**Walter moved and David seconded that we accept in concept the contract offered by the Village of Morrisville for full electric department service at \$10,000 per month, with the understanding that some modifications will be made. The motion was passed 3-2, with Gordy and Ellis voting no.**

Chris said an important part of the motion was that it says we will not necessarily take the contract verbatim but will adjust it to meet our needs. If after a year we are not satisfied with Morrisville we will take the work back. Gordy said he thinks once it is gone it will be gone forever. David said this was not an easy decision. The trustees are trying to make the best decision for the village.

Gordy said we need to give direction on questions like whether we are going to keep our bucket truck. Walter said he thinks we are telling Morrisville that the system is theirs and they will need to help keep our employees' certifications maintained. Our employees could be the first trouble crew to check things out and if necessary they will call Morrisville for assistance. Duncan asked who will carry a pager and cell phone in the evening. Walter said he thinks everything will go to Morrisville first and then they can call whoever we designate to have them scout out the situation. Steve said all training and record keeping has to be maintained. Walter said the first year is the test year. He wants to maintain certifications for our employees for that year. Steve said the water department employees need flagger certification too.

Duncan asked if we will retain all 3 current electric department employees. Board members thought we should. Duncan said Morrisville would like to be able to develop an on call schedule. They may propose putting the Village of Johnson crew into a rotation for after hours calls. Board members said they would be okay with that. Duncan said our crew members would love to have identified periods when they were on call and off call. They have never had that.

Duncan said he recommends that we stay with VEC for dispatch. He suggests that Morrisville take the calls from VEC, then decide how to respond. Walter asked if VEC could call Tom Elwood rather than Morrisville for a sewer problem. Steve and Duncan said VEC should be able to separate out electric calls from sewer/water calls.

Duncan asked if the board would be open to leasing the bucket truck to Morrisville or letting them use it to offset our costs. Board members said yes.

Steve said VEC is authorized to monitor and control our substation, at Steve's direction. Duncan said Morrisville will be able give VEC instructions on controlling the substation as Steve did. Craig would like that ability.

Duncan asked if the board would like to authorize him to appoint Troy as working foreman, depending on what happens with Tim's employment status. The board agreed to that. Gordy asked,

what if Tim doesn't leave? Duncan said then we would have 4 employees. Chris said it sounds like Morrisville would be interested in taking Tim. Steve said yes, they would. And Morrisville will need to add a line worker if they take over our electric work. Potentially they would take Troy as that person.

Steve said wastewater treatment plant employees could help with sidewalks and snow removal. Walter said Tom will have to take over some things now that Steve is leaving.

David asked what the next step is. When does the board have to sign the contract? Duncan said he thinks another quick meeting might be needed to finalize the contract. After he talks to Craig, he will email board members and the board can decide on a date to meet. He is sure we can come up with an agreement that will give us service starting January 1, even if a formal contract has not yet been signed.

Duncan said he talked to the Village of Orleans manager about long term plans for their electric department. They are similar in size to Johnson. They have trained 3 linemen who went to VEC or GMP. They have the same issues we have. Their manager said in our place he would look long and hard at contracting out electric work. They will be facing the same issues in the future.

Steve said he thinks we will be able to reduce our electric rates after contracting with Morrisville. Gordy said service is more important to him than cost.

5. *Adjourn*

**Walter moved and Chris seconded to adjourn at 7:43 and the motion was passed.**

*Minutes submitted by Donna Griffiths*