

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, JUNE 12, 2017

Present:

Trustees: Gordon Smith, Walter Pomroy, David Goddette, Scott Meyer, Bob Sweetser

Others: Meredith Birkett, Troy Dolan, Tom Elwood, TJ Poor, Kyle Nuse

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Gordy called the meeting to order at 6:30.

2. Changes, Additions to Proposed Agenda

No changes were suggested.

3. Review and Approve Minutes of Trustee Meetings

Bob moved to approve the minutes of May 9, 2017, Scott seconded and the motion was passed.

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

Rosemary said about \$10K went from general to electric for snow removal from the municipal building parking lot. Right now snow removal looks way over budget. Some may be moved to another category later in the year.

Meredith said we will be 5.3% over for power supply costs when we roll in April. TJ Poor said some of that is likely due to loads lower than forecasted due to the warm winter. Some was due to net metering solar that has taken a while to get into the model. We were covered for expected need but actual need was lower. We took a loss on some extra power bought ahead.

Dave asked about the miscellaneous income for the fire department. Rosemary said that is mostly from two fire calls we got reimbursed for. Gordy asked, shouldn't that be under insurance reimbursement? Rosemary said she can move it there. *(Kyle arrived at 6:41.)*

Dave asked about outside contracted services. Tom said there is something in there that isn't supposed to be in there. He will check on it and move it if it should be moved. Meredith said that could be for Grenier.

Rosemary said the assessors are having grievance hearings this week. We will be setting the tax rate at the next regularly scheduled meeting.

Scott said the assessors do not work on Fridays, which means either he or his wife has to take a day off for the inside the house evaluation. They found it irritating that the assessors aren't willing to meet the needs of the community.

5. Cole Solar Update/Analysis

TJ Poor said Meredith asked him to come and talk about the Cole solar project. Dan Cole is the landowner. SolarSense is working with the landowner to potentially build a solar array on his property. It is currently situated as a 2 megawatt project but the size could change a little. He provided information on how a 2 megawatt project would affect our portfolio. He did a

preliminary analysis of the economics of the project at the proposed price. We would have more energy than we needed for some months of the year for a couple of years. What hasn't been analyzed is how the system might react if the array produced more energy than was consumed. That would be part of a system impact study the developer would pay for. Scott asked if the PSB looks at that. TJ said yes, in the CPG process.

TJ said current resources provide sufficient capacity. The additional capacity from the Cole solar project doesn't provide more hedge. It just puts us into the market. Any time we are over-hedged we are entering the market and there is more price risk.

Gordy asked, if we do the Cole solar project and we are over capacity, are we still obligated to take all the solar arrays in the community? TJ said yes. The requirements are based on annual energy needs. You have to be 100% covered by renewable energy for kWh for the whole year to be able to not take the other arrays.

TJ said if VOJ gets the renewable energy credits associated with this project that would more than cover our needs for the renewable energy standard, for both Tier 2 and Tier 3 for 15 years, which is the length of the known requirements. We would be more than covered for Tier 2 and excess can be used to meet Tier 3 requirements. If we do Tier 3 programs there are requirements like providing equity of access for all income levels.

Scott asked, do the low incomes in Johnson help or hinder us in the long run? TJ said the requirements for those programs are not well defined. What qualifies as low income is not well defined and what qualifies as opportunity to participate is not well defined. Presumably there would be more opportunity if there are more low income people, but programs would cost more. Scott asked if "low income" is based on state or federal guidelines. TJ said that is unclear. Scott said PSB is judging applications but doesn't have clear definitions.

Walter asked what the board decided last week about aggregating renewable energy. TJ said the decision was to move forward and put more flesh on the bones of what VPPSA developed, which was to have an outward aggregation so VPPSA complies as a whole but each utility can have complete flexibility on their projects. Utilities can have complete control over credits they earn. Johnson could own 100% of credits we get and could have the option of selling those to other members who might need them or keep them and bank them as long as we want. If a customer wanted a bigger incentive, other utilities could share in the incentive and the credits for Tier 3. Utilities could decide if they were in or out of different projects and for how much. Meredith said she feels like the way it's being set up protects us. We will be able to get the full benefit of our programs and share in others if it is beneficial to us. It gives us maximum flexibility.

TJ said he put together an estimated analysis of the proposed cost for the Cole project. It is 10.5 cents per kWh for the first 10 years with a 1% annual escalator after that. RECs are not included.

Walter said we are paying 5-6 cents per kWh now. TJ said we would get more than just energy. We would get capacity resources as well and there would be some avoided costs, like

avoided transmission costs. We could potentially avoid losses depending on where the system is set up. It would be a load reducer, reducing load obligation at the time of the hourly peak. We would get an increment on top of capacity value.

Scott asked about the mechanics of getting power to customers. If it is sunny we are getting solar power. At night we are getting power from other sources. Who pulls the switches on that? Is it done out of state? He heard that there are some out of state controls placed on Vermont that make it so some renewable energy is not getting used. TJ said that is a big question. There are a lot of issues with that. ISO New England can curtail units that are in their market. Lowell and Sheffield are getting curtailed now. There is more generation than demand in the northern part of state. He understands that line falls just short of Johnson. The unit would not be in ISO New England's market so they would not be able to shut it off.

Scott asked, who controls it? TJ said Johnson could cut it off if there were an issue with power quality. VELCO has some control if there are issues on their lines. ISO New England has control over the power.

Scott said we have 2 other solar fields. Will they be competing with Cole's? TJ said the system impact study will have to address that. Troy said the big issue now is that solar arrays are putting too much power back in, causing problems.

TJ said those issues are not considered in his charts. He assumed the system impact study would identify any issues. Johnson could say the developer would need to pay for an upgrade to the substation if it were needed. But that might make the developer choose not to do the project.

Scott said he doesn't want to be pushed into purchasing more expensive power because we have a higher profit system in our area. Dave said he thinks eventually, through REC credits, we will be forced into buying more expensive power. Scott said we've already lost income due to 2 other solar sites. The village ratepayers are subsidizing it. TJ said that is particularly true in the net metering program.

Dave said there a number of other solar fields existing or under construction including Johnson State, Lehouiller's, and the proposed Cole project. We have a lot of megawatts. Walter said the college solar field is a net metering project and we have no choice but to take their power. With the Cole project, we can choose to buy or not.

Dave asked where the power goes. If we end up buying it, what does it do to the market? Who will buy the solar power if they can buy cheaper power through other means? TJ said if there is no requirement and you can buy it cheaper no one should be buying it. Cole doesn't have another offtaker for this.

Gordy said he thinks we need our own sources of generation.

TJ said starting in 2023 only 40% of our energy is secured. The rest is at risk. Market prices are very low now but they could go high.

Scott asked about the cost for Hyde Park. TJ said he thinks it was 12 or 13 cents per kWh.

Dave asked, if there is cheaper energy available, where are the economics of building solar? If we can pay 5.5 cents for other types of energy and this costs more, why are so many solar projects going up? TJ said because the state is requiring it and providing incentives. Scott said hydro may not always be cheap. Walter said hydro is cheaper but has a higher transmission cost and won't meet the state requirements so there are penalties. Because of other costs and possible penalties the cost is not truly 5.5 cents. When we consider the transmission cost and capacity to sell and not having compliance payments if we get the RECs, the numbers for the Cole project and hydro will get closer. Dave said he wants to make sure our ratepayers and taxpayers understand what we are expected to do when buying power. We know right now we can get power cheaper.

TJ said right now the Cole project is not economical. If the cost were 10 cents per kWh and Johnson got the RECs then it would be economical. Meredith said they are working on a different model in which VOJ will own the RECs and they are going to get as close to 10 cents as possible.

Gordy said we will need a new line and there is the question of whether our system can handle this installation. Troy said the developer will pay for any new line or upgrades.

Walter said the developer is paying for the study, so they will be using their consultants. TJ said no, they will pay for VOJ to do the study. VOJ can agree to have their contractor do it or hire its own contractor. They pay for any upgrades the study indicates are necessary. If the upgrades turn out to be more expensive than they had assumed, they will say they can't do the project for this price anymore. Scott asked if Troy does a reality check on their math. Troy said as far as materials and labor he does.

Meredith said she wants to make sure the board is okay with moving forward to get an estimate if we get a proposal that seems close to making sense. The board agreed that would be okay.

TJ said other members may be interested in participating in this project as well. Walter said he would be interested in that so we wouldn't have to commit too much to this one. He feels solar will get cheaper but we are very limited in potential locations for solar arrays. He hates to miss an opportunity but he feels solar will be cheaper in the future.

TJ said another option is for VOJ to ask for a turnkey price to construct the project. VOJ would take out a bond to pay for it. Deciding on the right time for such an investment is tough, as Walter said. Meredith said part of the price is labor, and the cost of that will probably go up and not down.

TJ said VPPSA explored a prepaid power purchase agreement. The purchasing entity provides a lump sum cash payment to buy energy ahead for the lifetime of the project. That lets the developer get the tax credit and it replaces their cost of capital with the municipal

cost of capital. It gives them a cash infusion early and then the purchaser gets the energy prepaid. The purchaser needs performance guarantees. That is when the potential agreement VPPSA was looking into fell apart. The parent company wouldn't provide a guarantee in case of bankruptcy. Prepaid power purchase agreements have been done by municipalities for big and small plants across the country.

Dave asked, do we get a cheaper rate by prepaying? TJ said yes, that is the benefit. The cost might be 6 cents instead of 10. Walter said that is because we can borrow at a better rate. Scott said he would be worried because the JSC solar array has been sold a couple of times since it was built. Dave said that is where the performance guarantee comes in. The only problem is that we would have a legal fight to enforce it. Scott said he is not sure about the staying power of developers and owners.

TJ said most projects have a project company LLC. Another option is doing a letter of credit. Just buying insurance is another option.

Walter brought up the possibility that JSC could close. We could make the commitment for this big project and then we have our biggest user go kaput and we would then have a lot of excess power. TJ said if JSC were to close in 2019 there would be quite a big impact. VOJ would be at risk that the actual market price would be less than what they valued it at. Meredith said the system impact study will include how much of our load we could lose.

Walter said more New England Hydro power is going to be available. He is interested in buying more, but how much of a problem will excess capacity be over the next few years if we do that? TJ said VPPSA is working on a solution to that. There will be more New England Hydro power to allocate than anticipated. It could be that VPPSA will cancel one of the contracts.

Gordy said a recommendation he heard from another utility is not to go over 25% of the spot market because that is too risky. *(TJ left at 7:44.)*

Dave said we need to think about how to store power. He can see that being an alternative to putting in solar panels as a source of revenue. We could charge people to store their energy.

6. *WWTF Chief Operator Report and Action Items*

Tom said the wastewater plant is running well. All samples were good. He submitted the E-DMR and WR-43. The variable frequency drive failed on the main belt drive for the belt press. Tom had it replaced.

Tom attended a free class on ethics in the water/wastewater industry.

Tom said Casella is getting odor complaints due to sludge and they narrowed it down to plants that don't have digesters. Ours does not have a digester. Morrisville has gotten complaints in the past but we never have. A representative from the landfill came and talked to Tom and also visited Morrisville. There is a part of our process that is temperature sensitive. The organisms involved die off over the winter and have to regrow in the spring. That causes ammonia to be in our sludge for a period of about a month in spring. A digester

can get rid of that ammonia. The landfill is applying for permit renewals and expansion so they are concerned about the odor problem. They almost threatened not to take our sludge any more.

Scott asked if there is a state standard for how much ammonia is allowed in sludge. Tom said no. There is for compost, but not for sludge. Scott asked, so it is just someone's perspective? Meredith said yes.

Tom said the landfill representative claims the problem is not just occurring in spring. He says operators are holding onto sludge too long in a dry state and it is becoming sour.

Scott asked, we get lumped with everyone else? Tom said yes. Scott asked if we can test for ammonia and have a number based on science. Tom said we do test for it. We comply with annual spring testing of our sludge and the high ammonia level is during that period. We can add nitrogen to address the problem.

Scott said he thinks if Johnson shows we have low ammonia levels then we should get no pushback. Tom said the landfill representative claims it is not just ammonia. Different people have different sensitivity and perception. Tom asked what they are doing with the sludge at the landfill. They are not supposed to use it for cover. He thought they were supposed to open up a spot, dump it and cover it. The landfill representative says they are mixing it with garbage on top.

Scott said he will continue to push this. We have the ability to test for offgassing material and show whether we are coming in low compared to other towns. Meredith said they aren't basing their decisions on science now. They are saying they will eventually have to stop taking this kind of sludge from Johnson, Morrisville and Randolph.

Walter asked if our legislative representatives know about this yet. Meredith said not yet. She thinks the meeting at our facility was good. The landfill sent ideas on things they think could be added to bring the odor down.

Tom said he ordered something to cover the odor. There are operational things he can do to address the odor problem.

Dave asked, if we were to turn this into methane and burn it, would that get rid of this problem? Tom said yes and no. It would get rid of the odor but we would still have sludge. We would still have landfillable sludge, but we would have less of it. Dave suggested that if we could figure out a way of burning the sludge (providing renewable energy) and composting what was left over that would solve the problem. Tom said digested sludge doesn't compost as well. But biochar is an option. He is working on a short term solution. The landfill representative has said he could reject a load if doesn't smell good.

Walter asked, do they have the right to reject our sludge just because of odor? Tom said yes.

David asked what our options are if some sludge is rejected. Where can we send it and what would the cost be? Tom said there are a couple of places in New York. We can ask if they will accept it. Coventry is taking in sludge from 3 states now. He feels we should work with Coventry as much as we can. It is cheaper than any other solution. A digester would require bonding for millions of dollars. He thinks we should look at long term solutions.

Gordy said he thinks once the composting facility gets going we should pursue the possibility of composting sludge there. Tom agreed that we should pursue that with LRSWMD. He is pretty sure digested sludge doesn't compost well but he wants to look into that.

Tom said there are number of things he is going to try. He will be in communication with Coventry. He asked them for feedback. This is the first we have heard about this problem, though they have been talking to Randolph and Morrisville for a while. He thinks composting with LRSWMD is a good avenue to try and he wouldn't stop with that. Eventually he feels they will stop allowing our sludge in the landfill.

Tom said there were no callouts for the collection system. We are still having trouble keeping the 6" siphon barrel near the Main Street bridge clean. The jack and bore under Route 15 for the sewer line extension should be done today. The bore went well. There was more room under the line than expected. Gordy asked if that has been noted on the diagram in case we have to dig. Tom said yes.

Tom said the water plant samples were all good. There were 2 after hours callouts due to the PLC controller. It keeps paging to say all is normal. He has Champlain's control tech looking into it. He thinks the PLC controller is going bad but he won't replace it unless we have to. It will cost about \$1500.

All hydrants have been flushed except the ones on the old 8-inch line going to the Nadeau well and Katy-Win trailer park, because the water would go down to the area where there is a problem with the storm drain. When that is fixed he will flush the hydrants. We are going to flush the Laraway school's hydrant on Wednesday. We had to repair a nozzle on the hydrant by the old mill building.

Water loss was at 41% before leak repairs. We have repaired a lot of leaks and tightened up the system. Troy's crew helped fix a leak on Mudgett Drive. There was a leak under the Wescom trailer. We had a callout to shut off the curb stop. We will review what to charge for that. The college fixed their leak. At Cabin Cove another homeowner had a leak. They repaired it. The system there is old. The leak was in a repair Tom thinks Tatro made for the town. Troy said it was spliced improperly. The master meter at Cabin Cove has been read again and will be reread in a couple of days to ensure there are no more leaks.

Meredith reviewed what the VOJ Water Ordinance says about disconnect fees. It says when there is an emergency shutoff customers are charged at a rate set by the trustees. But we don't have a fee set for shutting off water not associated with disconnection for nonpayment, for instance if there is a leak. Our current fees for disconnects/reconnects due to nonpayment are \$25 during office hours (as set by state statute) and \$37.50 after hours (also set by state

statute.) What is currently in our billing system for disconnects/reconnects not associated with nonpayment is a \$25 flat fee at any time of day. But that is not in the water fees document. Meredith proposes keeping the \$25 flat fee during office hours but if someone has to be called in she proposes a 2-hour minimum charge of \$150 plus \$75 for each additional hour. That covers our cost for the highest staff hourly OT rate plus 2 hours of pickup truck time.

Dave moved to amend the VOJ Water Ordinance to reflect the proposed fees for disconnects/reconnects not associated with nonpayment, seconded by Walter. Gordy asked if we can send a notice to ratepayers of the change. Meredith said we can. **The motion was passed.**

Walter asked if Tom has any issues with Ken Harvey adding 5 more lots. Tom said no. Harvey requested that a long time ago. There was a comment by a citizen who knows the system that we should keep tabs on lift station capacity down there. We should study that and maybe we should look into new impellers.

Walter asked if the consultant who was going to do the study has started. Tom said yes, the asset management study has started. They have taken all his OEM manuals and blueprints and put them on a thumb drive and they will work on categorizing and assigning monetary value, then come to train Tom on the program. Meredith said they did a site visit. Tom gave a detailed tour. They will put all parts of our system into a database and bring us the database and give training on using it. Tom said they will want to offer improvements. That is their motivation for providing this service. They will provide a digital preventive maintenance system he doesn't have now, which will spit out work orders to do maintenance. *(Tom left at 8:17.)*

7. Foreman Report and Action Items

Troy said the electric crew had a reconnect the other night that cost the village \$200 beyond the \$90 reconnection fee. Scott asked why a reconnect after hours would happen. Troy said if there was a call after hours someone would go connect them. Scott asked how the customer would get disconnected. Troy and Meredith said for nonpayment. Troy said 2 people go to reconnect for safety reasons. Arrangements are made with Susan to pay or the customer has money in hand when the employees arrive to reconnect. We have to have payment for past due bills before reconnecting. New charges for the reconnection go onto the next bill. Meredith said we can't require payment ahead for reconnection. Under the law, we have 24 hours to reconnect someone. Troy said other utilities wait until the next day.

Scott asked if we can charge more for connecting someone right away and less if we wait until daytime. Meredith said she thinks the \$90 might be set. Bob said he would hate to leave a customer without power in winter. Walter said we can't disconnect in winter. Troy said there are certain guidelines for when we can disconnect that are hard to meet in winter.

Troy said we go to the same residence every month to disconnect and reconnect. Scott said if your furnace goes down and you call for repairs after hours you pay extra for it. Troy said we lose money when we do this. Meredith said we can't require that they pay the reconnect fee at that time. It gets added to the next bill, which makes it harder for the customer to pay the

next bill. Her opinion is that if people know they can't call and get someone out there after hours they will adapt and pay earlier.

Scott asked how late a bill can be before a customer gets disconnected. Meredith said a notice goes out 4 days after the bill is due. Susan works with people to come up with payment plans. Door hangers go out the day before we disconnect.

Meredith said we should discuss what "after hours" is. Troy said he thinks it should be after 4:00. The office closes at 4:00.

Walter asked if we want to give people the option to have us come after hours for \$380. Would employees rather not have to come out? Troy said it doesn't matter to him and he doesn't think it matters to the others. Meredith said she is concerned we might not ever collect the \$380. The customers are having trouble paying their regular bill. Rosemary said she doesn't think we can disconnect for not paying the reconnect fee. Meredith said she is not sure we can go above \$90 for reconnects by law. She needs to check.

Walter said if the \$380 is not likely to be collectable we would not want to do after hours reconnection at all except in an emergency. Others agreed we should not reconnect after hours unless there are life safety issues. Scott asked, what if someone has a refrigerator full of food on a hot day? Walter said he does not consider that life safety. Gordy asked if we can add a public notice about this to ratepayers. Meredith agreed to do so.

Walter moved to discontinue after hours reconnection of electrical service unless there is a life safety or medical issue, Bob seconded and the motion was passed.

Troy said during the past month there were 2 scheduled outages to install the new wire for the array on Gould Hill. Troy has been coordinating outages with Dan Bradley so as not to affect his business. At least one more lengthy outage will be needed to transfer from the old wire to the new wire. He thinks it will be close to the end of the month before the array comes on line.

Seven transformers failed in the past year and were sent out for recycling at a cost of \$500 plus a testing fee. Troy has made arrangements for the substation transformers to be tested.

A new service was installed for the apartment house on Railroad Street.

The new Toyota Tundra has been purchased and equipped with accessories and logos. Troy will order a plow for it when it is closer to winter. The truck came in about \$3K under budget.

All sweeping has been completed. Banners and flags have been installed. Green areas have been seeded and fertilized. The crew will start on crosswalks when weather permits.

Walter said where the rail trail crosses Railroad Street would be a great place to put a crosswalk. He suggested to Kyle that she bring that up with the selectboard. There could also

be one on West Settlement Road, but that is probably less of a safety issue. Kyle agreed a crosswalk is needed for the Railroad Street trail crossing. Meredith said she and Kyle have talked about things that could be done around Parker and Stearns to let people know about bike traffic.

Gordy asked about putting something up on the Parker and Stearns building so people can see what there is in town. Kyle said Johnson Works has been talking about making it more artistic, like a mural that shows the businesses. Meredith said two JSC professors are looking for projects for a spring class. She is thinking that for next spring they may be able to help with a mural. We didn't get the grant we applied for to do the mural. Dave asked if we should budget for that for next year. Meredith said she thinks so.

Troy said the crew completed required annual pole top and bucket rescue training in May. Annual testing of hoses, tools, etc. is going to be done.

Troy met with Fairpoint to discuss pole setting territories, etc. related to the Route 100C upgrade.

Meredith and Troy met with Alan Lehouillier and 2 VTrans employees to talk about installing the primary underground to feed Alan's array. We will need permits to cross the roadway. Once permits are in place and we receive payment we will start that process.

Walter asked about the annual fee for crossings. Meredith said she needs to look up information on that.

Troy said he has been working with an engineer for Verizon on a primary underground that will be needed for an upgrade at the college.

Ken Harvey will add 5 new lots. We will install power there at the end of June.

Gordy said he had suggested that the Boy Scouts work on the green strips on Railroad Street as a community service project. Meredith met with Tim Sargent to discuss that.

Scott asked if we have an ordinance to keep people off sidewalks with their vehicles. Walter said it is in the village bylaws. Gordy asked whose jurisdiction it would be to put up signs saying there is no parking on the sidewalk. Rosemary said it has to be in an ordinance to be enforceable.

Gordy said he knows Troy was asked to pick up garbage at the Beard Park and said he would be glad to. There is a proposed bread oven also and that will need a garbage pail wherever it is put. That will be one more duty for Troy. Will that be all right? Troy said it would be fine.

Meredith said discussion of Old Mill Park as a possible location for the bread oven is on the agenda, but she just learned that Old Mill Park is owned by the town. It is not jointly owned.

Walter asked if either Troy or Brian could pick up the carpet that has been on the sidewalk near the library for a couple of weeks. Troy said he can do that.

Kyle said to her it would make sense for people to sweep grass clippings off the sidewalk after they mow. Is there an ordinance covering that? Troy said he doesn't know how to address that. Dave said he is sure other places have ordinances on that. Maybe we need to look at an ordinance.

Meredith said it turns out our village ordinances include no parking on the sidewalk. Dave said once when he couldn't make it up his hill and parked a little out in the road he got a reminder from the town on his vehicle saying next time his vehicle would be towed. Is that something we could do if we see a car parked on the sidewalk? Troy said he thinks that is acceptable. When the village crew is cleaning up in winter, they call the sheriff's department to tow vehicles that are left on the street. Meredith said we may need to put in a specific penalty for parking on the sidewalk and notify the sheriff's department. There is nothing in the ordinances related to grass clippings. Scott suggested we say the sheriff will be notified if vehicles are parked on the sidewalk and they will be subject to towing.

The Boy Scouts will seed and mulch the green strips on Railroad Street.

Dave asked if we should put signs up telling people to stay off the sidewalk. Meredith asked if there is a specific portion where people are parking. Kyle said near the laundromat and the dog grooming business. Walter said there are a lot of big buildings on Railroad Street with no yards and almost no parking. Gordy suggested this is a town issue because it involves town rights of way.

Meredith said she wants to talk about what to do with the Vactor unit memorandum of understanding. Walter asked if anyone uses the Vactor. Troy said no. Walter suggested asking all the towns to sell it. Troy said his goal is to push it off to someone else. No one uses it and it is always in the way. We use it 3 days out of the year. Meredith said she thinks it would be great to sell it. But she believes we would have to repay the 90% grant funds. Whether we can sell it for enough to repay the grant funds is a question. Probably we would have to get state approval. So if the other towns will take it over that would be a good solution for us. She will reach out to the other towns and let them know we are no longer interested in participating. The agreement says a municipality that no longer wants to participate can be replaced by another municipality. She will give formal notification that we are no longer willing to participate or house it.

Meredith asked if the board is open to providing trash removal for the Beard Park. The board agreed to that.

Scott suggested a letter of appreciation to Peter Moynihan for planting flowers on Main Street. The board agreed to that. Scott asked if we have liability if he gets hurt if we asked him to do this. Meredith said it was his idea. Troy said he is concerned that next year the flower bed will be gone again. Walter said the brick border he put up could be hit by a plow.

Meredith said it was made clear to him that there is no guarantee our crew will be careful of it in winter. She will talk to him about the bricks.

Walter asked if the board is willing to pay Peter to do work at the Cold Spring. Scott said he would rather not do that. That could potentially be seen as a contract. He could be seen as an employee. We could have liability. Walter said it is no different from having Robert and Sons do work. Meredith said they have insurance. Scott said he would rather have no direction given to Peter by us. Walter asked, what if he had insurance? Scott said that would be different. He asked Meredith to find out if he has insurance. She agreed.

8. *Village Manager Report and Action Items*

Walter moved to approve the final water and wastewater allocation permits for 103 Creamery Road. Scott seconded and the motion was passed.

Gilles Lehouillier has requested preliminary approval of 560 gpd for wastewater and 540 gpd for water for 37 Lower Main, where he is planning to develop a new rental building with 4 one-bedroom apartments. Gordy said Rick Aupperlee has expressed concern about water from that property going onto his property. Walter said his only avenue of recourse is if Lehouillier has to go through Act 250. Scott said he believes state statute says you can't flood another person's property. If stormwater runoff is going onto someone else's land the state can get involved.

Meredith said there is an error on our permit application so the water figure for the Lehouillier project needs to be corrected from 504 gpd to 540 gpd. She will need to get a little more money from him. Arjay said there are separate service lines and he feels they are sufficient. Tom feels comfortable with the proposed project. There will need to be an easement but it will go across another parcel Lehouillier owns.

Walter moved to give preliminary approval of a 560 gpd wastewater allocation and a 540 gpd water allocation for 37 Lower Main, contingent on the application form being corrected to 540 gpd for water and the proper fee being paid, Scott seconded and the motion was passed.

Meredith said the ordinance that specifies a time limit on village liability/responsibility for work on private water/sewer service lines never got finalized. She got an email from Stitzel Page & Fletcher apologizing that they dropped the ball and never reviewed it. They will review it and provide their thoughts at no cost to the village. The board agreed Meredith should send it to them for their review.

There was discussion about whether the ordinance calls for tiered payments over 3 years or full payment for 3 years. Gordy said he was in favor of paying 100% after the first year, 2/3 after the second year and then 1/3. But he doesn't care either way. Dave said he thinks he was leaning toward tiered payments. Walter said that is what got written up. Scott said if anything was going to go wrong it would probably be in the first year. Dave said most contractors have a one year guarantee on work.

Meredith said Duncan was advised that there might be some problems with holding contractors responsible in the ordinance. She said we might need a partner document to go along with contracts that notifies the contractor of our ordinance.

Scott said our proposed ordinance doesn't say anything about poor workmanship. Dave asked, what constitutes poor workmanship? Walter said this ordinance wouldn't be binding on a contractor anyway. If we can get anything out of the contractor, great, but the ordinance is really saying that in year 4 and beyond the village won't give the customer anything.

Scott suggested taking out the word "blockage" as a reason to hold the contractor responsible and Meredith agreed that might make sense. Walter said it could be that the contractor didn't properly clean the line so there was gravel in it. Meredith said maybe we could add "due to poor workmanship."

Walter said the important thing about the ordinance is that it says we are done after 4 years. With contractors, the ordinance won't be the controlling factor.

Meredith said there is a section on penalties that makes no sense to her. She thinks it is probably a holdover from another ordinance. She suggested taking it out and the board agreed.

Meredith will have Stitzel Page & Fletcher review it.

We need board approval to use revolving loan funds for the sewer extension project. Meredith said the guidelines support this project.

Dave moved that the village borrow up to \$75,000 from the village revolving loan fund at an interest rate of prime minus 2% with a floor of .5% to fund the Route 15 West sewer extension project over 5 years, Bob seconded and the motion was passed.

The board needs to decide whether or not to accept the offer of \$1000 from Otter Creek. They reviewed our request for \$2,836.55 to cover the additional local match we have to pay as a result of the VTrans decision on the Desroches appeal. They are saying their engineering mistake only contributed to part of the cost but as a good faith gesture they are willing to contribute \$1000. Meredith doesn't know whether that is accurate.

Walter moved to accept Otter Creek's offer of \$1000 as compensation for our additional costs on the School Street project, seconded by Bob. Gordy asked when we will be completely done with the School Street project payments. Rosemary said tonight the board signed orders to pay back the town and pay Desroches. **The motion was passed.**

The Town Art Council is interested in showing films on the Village Green this summer and they want permission to test some equipment there on June 16.

Dave said he thinks that is a great idea. His only question is what type of movie will be shown. Scott asked if the movies will be family friendly. Kyle said they are still deciding on

the movies. The intention is to be family friendly but they will start pretty late. She thinks they will be old school, indie, artsy types of films. On June 16 they want to do a sound check. Dave said he wants to make sure what is shown is appropriate and we wouldn't receive any complaints. Meredith said she thinks it is reasonable to ask the Arts Council to give us a list of films they intend to show. Board member agreed showing movies on the Village Green is a good idea and the Arts Council has permission to test equipment.

Dave asked what nights the movies will be shown. Kyle said it is not decided. There might be 3 or 4 movies shown in a summer. Dave said there may be an opportunity for restaurants to offer promotions on those evenings. Gordy asked what will be used for a screen. Kyle said the original idea was to use her building but they don't think the donated projector will have enough power for that. They have found a screen of some sort.

Meredith distributed a proposed social media policy. She said it is very close to the one the board saw last month. She made a few small tweaks. Our attorney reviewed it and had no major concerns. She asked him about the issue of promoting commerce. He said he thought that was not a legal issue, but there could be the appearance of playing favorites. The conversation was that it would probably better for us to stay out of that and focus on municipal activities.

Dave asked if the village could share a Johnson Works post welcoming a new business to town. Walter said he thinks we could post about a new business or a special occasion like a business's 50th anniversary. Scott said he thinks there is a difference between saying there is a new restaurant in town and saying it has awesome ribs and you should go there. Walter said he thinks it is appropriate to welcome a new business to town or celebrate a business on its 10th anniversary.

Dave said the beautification of Railroad Street by the Boy Scouts would be a great example of something to post.

Dave said elected officials would choose a manager or managers for the account.

Meredith said the lawyer noted the bullet list in our policy of things we can remove, such as certain types of comments by visitors, and wanted to make it clear that much of that is open to interpretation. Even though we have a policy our implementation could be challenged because it is not cut and dried.

Walter moved to adopt the social media policy as drafted, Scott seconded and the motion was passed.

Kyle said the town decided the administrative person for their page would be a town employee rather than a board member because of liability. Dave said there should be at least 2 to 3 administrators who have access.

Meredith asked, do we want to start with Facebook only? Dave said he thinks we should take it one step at a time. He thinks a Facebook page is a good start.

Gordy said his concern is how much of Meredith's time it will take. Meredith said it will need to be looked at every day. Dave asked if the board is okay with a trustee being part of the management team for the page along with Meredith. Board members said yes. Walter asked if there is an employee capable of doing it so Meredith doesn't have to. Meredith said she will think about that. It's not hard to check it quickly. Kyle said generating content takes the longest time. Posting it takes a second. Dave said for the fire department he tries to post at least one content post a week. He thinks once a week is a good start. Scott said before we post any picture of anyone working we should have Troy review it to make sure people are using all the proper safety procedures. Meredith said she thinks one post per week is a realistic goal.

It was agreed to set up a Facebook page. Dave said maybe he will keep it private at first and put up some sample posts.

Scott asked, aren't people moving on from Facebook? Dave said Facebook is used by our demographic. Kyle said 35-65 year olds are the demographic that uses Facebook.

Meredith said the powerhouse building is in rough shape. She is looking for consensus that it is time to start taking active steps to figure out what to do with it, taking into consideration environmental, public safety, and recreational concerns. She and Gordy talked to Seth at LCPC and he gave some ideas about potential funding opportunities to study the building. Her sense is that there will be more money available to study it than to do anything with it.

Walter said he is not sure he wants anyone to study the building. Scott and Meredith said we have to have study it before we take it down.

Walter said he sees no reason to preserve this building for historical purposes. To him there is nothing special about it. Extending the recreational space into that area could make a really nice recreational area. We could probably build a platform on the foundation and have a nice park there. Then there would be parks on each side of the bridge.

Gordy said Meredith is just asking the board to give guidance about starting to look at possibilities. Meredith said until we do a study we won't even know if saving it is a possibility. Walter said he feels we should just figure out how to get rid of it. Scott said ANR will be involved because it is in the riverway. Bob said college kids get up on the roof. There can't be any asbestos in it. Scott said we still have to go through an assessment. It has lead paint on it. Meredith said the location is right over the river.

Dave asked if there is anything we can do to reduce our liability such as putting up a fence or No Trespassing signs. Meredith said there has been talk about boarding up the windows.

Meredith said the property is 1.03 acres. The land value is \$3700. She needs to ask VLCT if our insurance would cover it if it fell down or burned or if there is additional insurance we could purchase to cover it.

Dave said he thinks we should reduce our liability as much as we can. We should put up signs. Walter said we should at least put legal No Trespassing signs up.

Gordy said from talking to Seth it sounds like it will be a 2-3 year process to get the assessment done.

Walter said the condition of the building has definitely gotten worse. The little building is bowing out and the chimney is collapsing.

Dave asked if there is anything savable in that building. Troy said the main structure is probably salvageable. Walter said the one story building is in terrible shape. Troy said there is nothing of any value inside.

Scott said we should do the assessment and check-in with the state necessary to minimize liability. Walter said let's make sure we know what the rules are. Let's not check with the state first, but with others who can tell us what the rules are. Meredith said questions are being asked. She is trying collect information.

Dave said he would love to do whatever we can to preserve some of our history. The building to the right is in better shape. We own it. Could we renovate it and create some office space? Meredith said we have no idea. That is why we need an assessment.

The board agreed to have Meredith start looking into steps the village needs to take to make a decision on the building.

Walter said he thinks the small building will go in the river in the next few years. We need to step up and address this.

Meredith said year to date power supply expenses are 5.3% above budget. We had significantly higher costs than anticipated in January. Our load has been under what was predicted, probably because January and February were warm. Expenses are under budget but sales probably are as well.

Scott asked if there has been any movement on the sawmill that is closing. Meredith said she thinks they did an equipment auction.

9. Executive Session – Personnel Matter

Walter moved to enter executive session for a personnel matter, inviting Rosemary and Meredith to remain, Dave seconded, the motion was passed and the board entered executive session at 10:02. The board came out of executive session at 10:25.

10. Adjourn

Dave moved to adjourn at 10:25, Walter seconded, and the motion was passed.