

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, AUGUST 5, 2019

Present:

Trustees: Scott Meyer, Brian Raulinaitis, Gordon Smith, Bob Sweetser, Phil Wilson

Others: Meredith Birkett, Rosemary Audibert, Troy Dolan, Dan Copp, Ken Nolan, Elizabeth Emmons, Megan Young

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:03.

2. *Changes, Additions to Proposed Agenda*

Meredith said the VPPSA discussion will be moved to the beginning of the meeting.

3. *VPPSA Discussion*

Ken Nolan of VPPSA said Meredith had asked him to come to talk about things that might be coming up while she is on leave. First drafts of the VPPSA budgets should be ready for committees in September. The board of directors will see them in October and should vote to approve them on the second Wednesday in December. There is an operating budget and project budgets. Not all members are participating in every project. The newest project is the renewable energy standard, having to do with conversion of fossil fuels. Other Vermont utilities had to start meeting the standard in 2017. Small municipal utilities were given 2 more years. In the 2020 budget VPPSA is treating that as a project all members are participating in. VPPSA will manage all outreach, marketing, etc.

About a year ago VPPSA started talking to the board about an advanced meter project. They sent out a request for information this summer and now they are talking to 7 potential vendors. A decision will likely come before December on whether to take the next step. A committee is reviewing proposals now. They are hoping to narrow down to 3 vendors by December and go out for a formal RFP, asking them to design a system for us. One key question is whether it would be better for each utility to have its own system or to consolidate through VPPA. Pros and cons will come out through the RFP process. VPPSA will talk to each member to find out if they are comfortable taking the next step to design a system

Gordy asked if VPPSA is looking at both types of advanced meters – radio controlled and wired through the system. Ken said there are three types. One uses radio frequencies. Probably about 80% of advanced meters in the country use that type. A couple of companies use electric wires to carry data. One of those companies is bidding with VPPSA. Those systems are good at bringing meter data back but it is a challenge to send data to customers. Two vendors have hybrid systems combining both. Another option some vendors will probably offer is using cell phones. That is less likely to work here given the coverage. VPPSA is talking to Burlington Electric and VEC about the possibility of joining with VPPSA in this project.

Ken said all vendors can do electric and water meters. At least 6 of the member utilities looking at doing this say water is absolutely required. A first recommendation to the VPPSA board will come in August and then VPPSA will reach out to each member.

Ken said VPPSA has a partnership with Encore Renewables. They are searching for solar sites for us. There is a possible project in Jacksonville VT that Johnson could potentially participate in. It would only make sense because Johnson would get the renewable energy credits needed to meet state requirements. If 3 utilities participate he thinks that would meet almost of their needs for 10 to 12 years. He can come back to the trustees if there is a proposal.

Ken said VPPSA is planning to hire Great Blue Research to do a survey of VPPSA member customers to gauge customer satisfaction and to find out the best way to reach customers with information and to get information that could be used to craft messages for legislators. The legislature has more and more been trying to use utilities to fund social programs they can't get anyone else to do. VPPSA has tried to push back but has not been getting much traction. In talking to other utilities around the country Ken has heard that legislators tend to listen to independent third party information about what customers say. VPPSA is negotiating cost now and talking about whether the focus will be only on residential customers. The biggest issue is access to end user contact information, which most members have been reluctant to hand to VPPSA in the past. Great Blue will talk to the directors about how they use and protect contact information.

Scott said Johnson has a pretty high number of rental properties whose owners might not even reside in town. How would the survey deal with those? Ken said VPPSA has posed that question to Great Blue. They say they would survey both owners and renters but he hasn't seen how they would do it. Scott said our power is very reliable and he thinks there is a lot of satisfaction about that, but renters may not care much and non-resident property owners may not even realize that benefit.

Ken said prior to the legislative session VPPSA will be looking to have access to customer contact information to get a survey out.

Scott asked how we would get survey information from the university. Meredith suggested maybe we would treat them like a big industrial customer.

Ken said the part of the state north of Route 15 from just north of Burlington to around St. Johnsbury has too much generation and not enough load so ISO New England has been curtailing generation at certain times of year and under certain conditions. Utilities have come up with 4 projects to address the problem. Two of them involve putting voltage control equipment on two of the generators, one hydro and one wind. One is a rebuild of the B20 line from Lowell to Johnson and the last is reconductoring a section of the B22 line. GMP has agreed to fund all these upgrades up front but they are saying the costs should be divided up based on who benefits from the projects. VPPSA has taken the position that none of our members benefit and we won't be paying anything but there are slight benefits to those who have ownership in certain projects. A memorandum of understanding is being put together about how payment will be decided. Most VPPSA members will pay little or nothing. While Meredith is out it is possible a cost allocation agreement could be negotiated and put on the board's agenda, but he thinks it is more likely that will stretch into 2020. (*Ken left at 6:36.*)

4. Water Asset Management Plan Update

Elizabeth Emmons of Dufresne Group said all the assets have been mapped and inventoried. Fire flow tests have been done. Tomorrow there will be tests on pumps and then calibration will be

completed. The college will allow their pump to be checked as well, so we can see how it will be pulling off our system and it can be included in the model. Once pipes are prioritized that can be added to the rest of the asset management plan so it can be finalized.

Megan Young of DEC asked if risk assessment has been done for parts of the system other than distribution. Elizabeth said yes; that hasn't changed. Megan asked if the board agreed with the risk assessment of all the assets. Dan said he provided feedback on some things. Useful life is the hardest to determine. He is working through that now.

Megan said he should adjust useful life based on his experience. As the town continues to update inventory and maintenance and life cycle costs, the plan will change. The figures used to start with are industry standards. But if we know historically we have replaced chemical feed pumps every 15 years we should use that figure. Dan said it will take time to figure that out. Elizabeth said numbers can be changed in the future if Dan sees that something is going to last longer than anticipated.

Megan asked, have you used CUPSS? Do you like it? Dan said he hasn't been able to download it and needs help from the Tech Group. He talked to a colleague from Barre who uses and likes CUPSS and can be a resource for Dan. Megan asked if anyone else has used CUPSS. Meredith said she doesn't envision board members using it. Probably it will just be used by her and Dan and to a lesser extent by Troy and his crew. She and Troy have looked at it for the wastewater asset management plan.

Megan asked if Tim had reported back to Dan about the asset management training. Dan said he just got back from vacation. He had a brief conversation about it with Tim today. Meredith said Scott was there and thought it went well.

Megan asked about the highest priority assets. Dan said Lamoille View is one of them. That has the most expensive to-do list. We have had a lot of issues there. It is the highest risk.

Scott mentioned that after the lines were flushed some sand showed up in his toilet tanks. He wondered if it was from the system being hammered or because the flushing wasn't done quite right or if contamination from the Main Street project finally found its way up to Clay Hill. Elizabeth said the last is most likely. Megan said part of the reason flushing is done is to scour the lines. Scott asked if we have a plan for flushing so we move things away. Troy said his crew has continued to do it the way it has been done in the past. There is a certain order of hydrants that has been followed and they open the valves slowly. Gordy asked if two small hydrants were flushed. Troy said he is not sure. Jeff and Chan usually do the flushing, following the established list. Meredith said we can look at the list and verify it is being done correctly.

Megan asked if the village was happy with the level of service goals. Meredith said we made some slight adjustments based on comments from former board member Walter Pomroy.

Megan asked if the village is feeling happy with the progress. Meredith said yes. Now that we have the model we can populate more of the plan. Elizabeth said progress had to be paused until the hydrant tests could be done.

Megan said once Elizabeth does the hydraulic analysis the board needs to consider the risk assessments and not just let CUPSS do it. Next steps will be figuring out who will update CUPSS and making decisions about risk assessments and what should be tweaked.

Gordy asked if the old line by what used to be DJ's is a priority. Meredith said yes. Gordy said if that failed it would shut down Route 15. Meredith said we talked about making that and Lamoille View the top two priorities. Elizabeth said even though Lamoille View has a lot of problems it has few users. The line on Route 15 is higher priority because it affects more people. Megan said that is one reason not to just let CUPSS do the risk assessment but to think about it.

Elizabeth said the plan helps you identify the more expensive assets. They may not need to be replaced for 20 years but the village will know when they need to be replaced and can start thinking about that now.

Megan said the finance people in the state drinking water division want her to remind people not to put enough money aside to replace the whole system with cash, but to put some money aside, raise rates as needed and be ready to take out a loan when it is needed. No one wants to see \$2 million sitting in a water system's bank account.

Elizabeth said advice she has heard is to have money built into the budget for anything that will last less than 5 years, to put away reserve funds for anything that will last 10 years and to plan to take out loans for things that will last 15 years or more.

Megan said some water systems haven't been thinking about how they will pay back their loans when they take them out and are having to raise rates a lot suddenly to pay them back. The system should not have too much money saved but should also not have to raise rates a lot when it is time to take out a loan. The average in Vermont for water rates is \$750-1000 per year. That is the range systems should be looking at. Elizabeth said 1% of median household income is one recommendation. She doesn't know many systems whose rates are running that high. Megan said that is where we want everyone heading nationwide. That is less than \$3 a day. Elizabeth said a system like Johnson's that doesn't do much treatment needs less money than, say, St. Johnsbury.

Gordy asked where we go from here. Megan said the village should get the hydraulic analysis and then spend time in CUPSS and start looking at high risk assets and developing plans for them. She will touch base in a couple of months. (*Megan and Elizabeth left at 7:16.*)

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

The board reviewed the budget status reports. Gordy asked how the new streetlights are holding up. Troy said his crew has been changing a lot of ballasts. That is the biggest cost of the streetlights.

Rosemary said NVU made their fire department payment for the current year.

The board signed the documents for the previously approved highway equipment note for \$235K. The truck is coming Thursday. Meredith said Arjay has reported that he is satisfied with the truck and comfortable with us paying for it on Thursday.

6. Review and Approve Minutes of Trustee Meetings

Bob moved to approve the minutes of July 8, Phil seconded and the motion was passed.

7. Water/Wastewater Report and Action Items

All wastewater samples met state requirements. The E-DMR and WR-43 were submitted for review. Concrete was patched under the valve room door where the floodgate gets installed. The concrete entryway steps were patched and painted. We visited Laraway about odor complaints at Highland Heights. We believe it was due to lack of use of their pump station and then pumping old septic when the pump came back on for summer session. They are going to have it pumped more frequently and at the end of school sessions. The old influent pumps were removed from the influent drywell with help from the village. Pratt Electrical found a faulty connection in the VFD wires to the decanter and the wires were reconnected. We will replace the current wire nut system with 2 buss bars. We have a faulty switch in the decanter, which will be replaced. We are getting multiple alarms due to it failing. We have a spare switch onsite. Hartigan jetted the sewer lines from the plant through Main Street. They also pumped out the Highland Heights pump station.

All coliform samples taken at the water plant were negative. Tim, Meredith and Dan filled out an electronic survey for the asset management plan. Tim and Scott participated in the first day of the AMP training. We are going to have to sample for PFA's this year. Dan will be attending a training on PFA's and lead sampling requirements for schools and daycares on September 4. Painting at the Clay Hill booster station was finished. Painting at the water plant will continue as time permits. Steve gave his notice and has moved on. Dan already has applicants and hopes to have someone hired in a month. (*Dan left at 7:40.*)

8. Foreman Report and Action Items

On July 18 we had a scheduled outage that involved 20 customers on West Settlement and Sweetser Roads. The crew replaced and transferred two poles that were rotted at ground level just beyond Johnson Farm and Garden and will replace 4 others that are in the same condition on Sweetser Road. The crew has spent the majority of the time during the last month cutting right-of-ways in areas where burning is occurring. They used the brush hog to cut areas that are accessible with the tractor. There has been some rapid growth this summer and it has been difficult to keep up with it. The crew installed a new 200 amp overhead service that will feed the air conditioners in the former truss building at Parker & Stearns. They also increased the transformer size. The crew also completed meter readings, high/low readings, Dig Safes and disconnect/reconnects.

VTrans purchased 62,000 gallons of water from the village in May and June. We billed them over \$1,300 for the bulk water sales as well as for Water & Light staff time to assist with filling their truck. They contacted Troy in July requesting additional bulk water sales and the crew has continued to assist them through the month. We have kept a log of gallons and staff time so another invoice can be created.

All crosswalk painting in the village has been completed. The crew repaired some small sinkholes around two catch basins on Railroad Street.

Troy scheduled sewer line cleaning that was completed last week. The major lines in the village and the pump station in Harvey's park were done. The substation transformer testing was completed last month. Troy should have the report back in a few weeks. Meredith, Nate and Troy did a walk-through to determine water and sewer line locations on Pearl Street and Clay Hill in preparation for the sidewalk replacement.

Meredith said we budgeted \$7500 in the general fund for replacing faded holiday bows. We had talked about LED lighted snowflakes. Gordy reached out to the Jericho town manager about the lights they have. She is proposing we buy 2 sizes and alternate them. One is 4 ft and one is 3.5 ft. She thinks there were 26 bows but we could only afford 20 of the lighted snowflakes. If the board is all right with the proposed lights she was planning to bring the proposal to the next Johnson Works meeting for feedback.

Gordy suggested we buy one and let Troy see how well it will work. **Bob moved to purchase one LED lighted snowflake decoration.** Phil asked if both sizes are mounted the same. Meredith said yes, she thinks both are virtually the same except for size. Scott asked if there is a cost reduction from buying them all at once instead of buying one first. Meredith said she can check on that. She does think there is an advantage to buying one first and making sure it works. **Gordy seconded and the motion was passed.**

Gordy showed the board pictures of impregnated pavement crosswalks he saw in Milton. He thought we might want the same type on Main St. We can get information from the Milton town manager about maintenance. These crosswalks stand out well.

Troy said his question is whether we going to be responsible for painting these. He doesn't think VTrans will do it. Gordy and Meredith said we will have to find out if Milton or VTrans maintains the ones in Milton. Gordy said he thinks we should come up with a plan this winter before the next time VTrans comes through.

Bob said he recently talked to someone from Virginia who had great difficulty finding any place to stay during her visit here. For one visit she paid \$330 for a night in Waterbury and for another visit the closest place she could find a room was in Williston. He remembers years ago Stowe was going to the public and asking if people had spare bedrooms to rent out. He doesn't know if there is anything the village could do about this. He thinks it is a shame. Meredith said she believes there are something like 30 Airbnb's in Johnson – people who are renting out their personal property. Bob said the woman told him they were all booked a year ahead. Meredith said when we did the Railroad Street Area Wide Plan the idea of a hotel came up. She thinks a market analyst felt a big hotel would be hard to get here based on the demand. It is a matter of finding a developer willing to take a chance on a small hotel.

9. Village Manager Report and Action Items

Meredith said she believes the selectboard signed a contract tonight for custodial services – planning to use a contractor, not hire a town employee. The cost share the town proposes for custodial services makes sense. The town's portion would be a little more than the village's because it would include the library. She thinks what they propose is a fair division.

The board agreed the proposed cost share for custodial services is okay. Scott he feels like he has been handed down an ultimatum. It would have been nice to hear about it earlier. He has no idea what the cost would be. Rosemary said \$150 a week for the town and village combined. Gordy said that is cheap.

Scott asked about giving an orientation to the contractor regarding village equipment. Troy said he met the people who will be doing the work. He feels comfortable with them. They usually come

during business hours. It would be nice to know the day they will be there. Meredith said she thinks we can request a schedule.

Scott asked how we will deal with confidential material that might be left on a desk. Meredith said employees all make it a practice not to leave out confidential information. There should be no reason for the cleaners to open drawers. They will not be dusting the desks.

Scott said in the future he would like it if the village could be spoken to earlier in the process. Meredith said she agrees.

Meredith said Elizabeth Emmons has submitted Title 22 plans to the state for the Pearl Street sidewalk project and we are waiting for the state to complete their review. Meredith sent a letter to the town updating them on the project. We will have to get a permit from them. She thinks we are on track for construction in early spring as planned.

Meredith said we have heard back from all three merger study proposers. CGR came back with an unsolicited revised proposal previously. We asked them to explain the difference between their original \$32K proposal and the revised \$10K proposal. They said rather than a team of people we will just get one person for \$10K. He has family in the area and will absorb some of the travel costs himself. He has extensive municipal merger experience. He will only come once. There will be a single longer visit during which he will do interviews and conclude with a public meeting. Then a report will be prepared after that. The number of visits was pared down from multiple days into one trip.

Phil noted that CGR gives a 6 month timeline.

Bob said we don't have \$10K. Phil said the selectboard was willing to pay the difference up to \$10K, right? Meredith said she doesn't know that they had a formal vote on that. We didn't get a firm number.

Meredith said there is not a huge change in the report in CGR's revised proposal. They won't create the project website they originally proposed. She doesn't think that was needed anyway.

The consultant from Ascent Consulting said he feels a merger study is the same as a business efficiency study, which he has done before. The question is whether efficiencies will be gained by a merger. We asked for more explanation of his proposed methodology. He said that in a non-public setting he would be willing to share what he did for another study. He gave a revised proposal that will match our budget. He will donate a certain amount in order to meet our budget figure. He will donate \$5K to make the cost \$8K. In his revised proposal certain tasks have lines through them. He is taking out the public meeting and the comparative analysis to other similar municipalities. He said he couldn't partner with someone else and keep the cost in our budget range.

Phil asked if CGR's proposal includes a comparison to other municipalities. He said he doesn't see it listed. Meredith said it mentions exploring potential governance models but not a specific comparison to other communities. She thinks having a conversation would be helpful in clarifying details like this.

Meredith said we haven't gotten a formal proposal from Steadman Hill. The consultant called her and said he is reaching out to people who might be able to partner with him. She told him if he can send a full revised proposal before the trustees and selectboard have a joint meeting that should be sufficient. He is working on it.

Meredith said we need to think about inviting all the consultants to call in to answer questions once we have all the revised proposals. Scott said he just has more questions after reading the new proposals.

Scott said he thinks the information we would get from the items Ascent removed is good information. He is taken aback that those items are lined out. Meredith asked if he would like to know the cost to add them in. Scott said yes. He thinks it would be nice to have community feedback. He doesn't know how many would come to have their comments heard. But to completely take it off seems weird. He has had a concern about a top-down management review, talking to department heads and not staff.

Phil said CGR's proposal does have a public meeting.

Meredith said when she talked with the consultant from Steadman Hill today he said one suggestion he got from experts was to do a survey of residents to understand whether people want this or not. She agrees a survey would be interesting but the reality is that town and village voters have both given us a specific directive to do the study. Phil said no survey would be statistically valid. Gordy said a handful of people are driving this. Phil said those are the ones who would fill out the survey.

Scott said removing comparative analysis to other municipalities seems odd. That is something both boards agreed we wanted. He sees critical tasks being lined out. Meredith said basically the Ascent consultant seems to be saying he can't do all we want for \$8-10K.

Scott said talking to the consultants will allow us to ask the questions we have. He still feels like he will be guessing based on the information we have.

Meredith said she hopes we can have a joint meeting in September. She thinks we will need to schedule a lengthy amount of time.

Meredith said she got an email from KAS saying they still are waiting for a Department of Health permit. The tentative start date for power house demolition is next Monday. They are planning a kickoff meeting with the fire department. We did a little trimming around the building so they will have easier access. The neighbor across the river gave permission for them to go onto his property to attach a net if needed. We added him as an additional insured to our insurance and agreed to put his property back to its previous condition if it is damaged.

Meredith listed upcoming agenda items in the board packet. She said she tried to put some things onto the September agenda to get them out of the way, such as the contributions to Buy Local and the holiday jubilee. Last year we got a request from the Harvest Festival to use picnic tables. Every year Transco does an equity offer in November or December and we have to make a decision about

it. She talked with VPPSA about the board setting a “not to exceed” amount we are comfortable with so it would already be approved.

Phil asked what buying equity is. Meredith said Transco is the transmission system. They issue equity to raise money. Phil asked what we are buying. Bonds? Meredith said it’s not a bond. We are buying into the system and we get a return based on their revenues. Gordy said we get back around 10 or 11%. Meredith said it ends up being a net positive for us. We can pay for it ourselves with cash or we can finance it through VPPSA. Historically we have always financed through VPPSA.

In September prior to the joint meeting Meredith proposes we discuss how we want to approach the fire contract with the town. The town and village operate on different fiscal years. They don’t pay for the 2019 fire contract until most of way through our fiscal year. They have concerns that if they sign a contract before town meeting day they are signing before they have voter approval to spend the money. Gordy said he hopes he, Meredith and Arjay can come up with tentative proposals to give to the trustees before the joint meeting. Meredith said ideally in one year they would pay for 18 months and catch up but she thinks financially they can’t do that. She thinks they want an out if their budget is not passed. But then they would have no fire protection and we would have a hole in our budget. Phil said if their budget did not pass they wouldn’t take money from fire protection.

Meredith said she will sketch out agendas for each month before she goes on leave. She will periodically check email and can work with Susan to get things on the agenda. She will try to keep agendas to a bare minimum. Gordy said he can meet with Susan to go over the agenda as he does with Meredith. Meredith said she doesn’t want to put the burden of developing topics on Susan. She just wants Susan’s help to get it on paper. Meredith said she hopes to look at email maybe twice a week while she is out.

Meredith said she will approach Brian Story about scheduling a joint meeting after the regular September trustee board meeting.

Meredith suggested board members think about items that should be included in a newsletter to be sent out with September bills. Gordy suggested updates on the new fire truck and the powerhouse.

10. Adjourn

Bob moved and Scott seconded to adjourn at 8:35 and the motion was passed.

Minutes submitted by Donna Griffiths