

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
ELECTRONIC MEETING VIA ZOOM AND PHONE CALL-IN
MONDAY, MAY 11, 2020

Present:

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

Others: Meredith Dolan, Rosemary Audibert, Dan Copp, Troy Dolan

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Gordy called the meeting to order at 6:04.

2. Changes, Additions to Proposed Agenda

Meredith added an application for use of the village green. Bob added discussion on getting employees back to work and discussion on resuming meetings at the municipal building.

3. Review and Approve Minutes of Trustee Meetings

Bob moved to approve the minutes of April 13, April 27, and May 1, 2020 and the motion was seconded and passed.

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

Rosemary said she had sent out copies of warrants to the board and the board can authorize Gordy to sign them.

Rosemary described the protocols for voting on June 2. We will be mailing a ballot to everyone, probably by the end of the week. We are hoping people will mail the ballots back but those who don't can vote in person. She is not sure if voting will be outside or upstairs. There will only be two voters at a time and three poll workers. There will be two booths set up. There will be hand sanitizer at each desk and poll workers will wipe down the booths after voters leave. Voters will leave by the back staircase. Anyone who wants to vote will have to wear a mask. Without a mask they will not be able to enter the building; they will be given a ballot and they can fill it out outside. Gordy asked if we will have masks for people who don't have them. Rosemary said she has ordered masks.

Meredith said she thinks the board's vote last month authorizing Gordy to sign the warrant was for both April and May.

Rosemary said the warrants include a water bond payment and she wants to make sure the board wants to pay it. She believes the board voted last time not to delay it another year. Meredith said she thinks we decided to hold off on making a payment now and if towards the end of the year it looks like we can afford to pay it we will. Gordy said he remembers discussing this but he does not remember if we made a decision. Bob said what Meredith suggested sounds like a good idea. Scott agreed. Meredith said she thinks that is wise. It would be handy to have that cash on hand. It makes sense not to pay now if we don't have to as there will be no penalties or interest. The board agreed not to make the water bond payment now. Rosemary said the amount of the payment is \$47,000.

Meredith said when the last audit was done it was recommended that we develop a financial policy and procedure manual and stamp invoices as paid. Rosemary said we have started stamping invoices paid. She said the auditors noted that we were not able to provide a detailed listing of

property and equipment for the electric department. We couldn't get that detail from our past auditor who passed away. The files are not easily accessible. That is one of the things she wants Susan to work on.

The auditors asked us to comment on significant changes from 2017 to 2018. In 2017 there was still some money coming in from the School Street project reimbursement. In the electric department in 2018 we started seeing the full effects of net metering for solar arrays. They asked about general fund revenues being above budget in 2018. Meredith noted that billable fire department revenue and the PILOT payment were over budget and expenditures were under for consultants, beautification, and events. Some staff costs for activities such as snow removal were lower than budgeted.

Bob moved to accept the 2018 audit report as presented, Scott seconded and the motion was passed. *(Brian joined the meeting at 6:16.)*

Meredith said the auditors said the fee for the 2019 audit would remain the same: \$8,650. Rosemary said they are going to do a lot of the audit work remotely. Meredith said generally we have been happy with them. They had some suggestions about how to do our inventory differently in line with generally accepted accounting principles. We are open to making those changes but we need guidance about transitioning. Hopefully this summer they can put together a proposal about coming in to give advice on implementing changes. The cost of that advice would not be included in the audit fee.

Scott moved to sign the engagement letter with Pace & Hawley for the 2019 audit, Brian seconded and the motion was passed.

5. ***Water/Wastewater Report and Action Items***

All samples met state requirements. The E-DMR and WR-43 were submitted for review. There was one call out to the River Road pump station. A pump motor failed. It needs a new start capacitor. The pump is from 1969 so we may not be able to find the part, which probably costs less than \$200. If the part isn't available we can buy a new motor for \$647. The pump station is running on one pump now and at the moment that pump is not operating. Tim is working on it.

Meredith said she would say spending \$647 is preferable to risking the one that is there giving difficulty. Dan said once we get one repaired or replaced he thinks we can rehab the other one.

Dan said we got our yearly alum delivery. Employees finished cleaning up flood debris. They are working on prepping the sludge room for painting.

There has been a reduction in waste load at the plant allowing us to lengthen the time between sludge press runs. There will be cost savings to the village.

Scott said Meredith has been trying to figure out the economic loss that will come from the Studio Center and NVU not being open, but if we are going to have savings from lack of use can we keep track of that? Dan said there will be some savings on electricity. There will be significant savings on sludge. We will save a little on alum. He can keep Meredith up to date on any savings.

There were no call outs for the water plant. Coliform results were negative. The Nadeau well was cleaned. Dan ordered a new chlorine injection pump because there was a problem with the old one. We are keeping the old one as a backup. Water loss was 7% last month

Scott said he saw something on the news about a program involving wastewater plant sampling to monitor COVID-19 pretreatment. He asked if Dan had heard anything about that. Dan said yes. A lab in Massachusetts was looking for 100 plants to be part of a program to test influent to figure out if coronavirus is showing up in the influent. It is a nationwide program and they were already filled up by the time he got the email about it.

Scott asked if this is to do surveillance or to help out water treatment plants. Dan said it would help the village out by finding out if the virus can be passed to effluent. If it doesn't get to the plant they know it won't be in the effluent. They want to know if it even gets to the plant. If it does, they will probably investigate beyond that. It would be good to know our effluent doesn't contain it.

Meredith said this morning the ICS team talked about the bubbler at the skate park. We got a request last week to turn the water on at the skate park with a note that they had installed a water fountain bubbler. We had some concerns and wanted to investigate before we turned it on. When water was requested for Legion Field we had a concern that if people used it to wash hands or dishes that would create wastewater that can't just go onto the ground. She wanted to see if a water fountain creates the same problem. Based on the definition in the state wastewater rules she does not interpret that a water fountain would create wastewater. The skate park committee assured us that the tube running to the bubbler is okay for human consumption. Meredith is not concerned about the bubbler, but there was a separate discussion about installing a makeshift sink for washing hands. Meredith said that would not be allowed because it would create wastewater. She was told there is a former dry well there but dry wells are not supposed to be used as part of a wastewater system. The water at the skate park cannot be used for handwashing but she would not stop the committee from turning on the bubbler when they decide it is safe to have people sharing a water source again. They don't want water service right now because there are concerns about people touching the handle, etc. but later this summer they probably will want the water turned on and that will be okay with us as long as it as it is not used for washing.

Gordy said he has a concern. The water fountain is fed by a Y coming out of a yard hydrant. If the water is directed the other way it will go onto the lawn. He doesn't know if we want it like that with no protection.

Phil asked, it is unmetered, right? Meredith said they pay a \$5 flat rate plus usage. They are not charged for connection and disconnection each season. They do pay based on usage.

Bob said if it is possible to turn it so water can go the opposite way and spread out, someone will do it to wash their hands. Meredith suggested maybe we can follow up with Howard Romero about the potential of that happening. We need to do some investigation before we give them the okay to turn it on. We can tell him we are concerned but they pay based on usage so the issue is really whether they are concerned about the water making a mess and them having to pay for it.

Brian asked about alternatives so the water fountain is not just hooked up to a yard hydrant. Gordy and Meredith said Casey Romero was going to look into other options.

6. Foreman Report and Action Items

Troy said a car hit a pole on Railroad Street. We had already taken our utilities off that pole so it had no effect on our system. The individual who has been reporting to Johnson daily has been doing essential work such as line checks, trash disposal etc. The crew did meter readings, Dig Safes, etc.

The individual reporting each week has been working on servicing winter equipment (painting, greasing, etc.) Troy has been in touch with NEPPA about revising the training schedule. They are making training available online. Our apprentices will be doing virtual training instead of going to Massachusetts. Troy has been looking at approaches that will allow employees to start working and still remain within the guidelines. He and Meredith created return-to-work guidelines and procedures and plan to have all staff return to work tomorrow. UniFirst sent a proposal that would save about \$5,000 a year over the current company that provides uniforms.

Troy said he has been in contact with the state about sweeping. Given the circumstances, he doesn't believe they will do any sweeping. We will try to do what we can on our own.

Gordy said he heard that wearing a mask is discretionary when doing strenuous work. He would rather not see employees wearing masks if they are doing something like right of way cutting and getting sweaty while wearing safety glasses. Troy said that statement doesn't apply to government employees. It applies to construction. He told his crew members to do what they can with masks on. Each employee can get into their own vehicle and take their masks off to breathe whenever necessary. He doesn't see it being feasible to wear a mask for 8 hours. When they are in the vehicle they are assigned to they will not be wearing masks.

Meredith said she looked through the governor's order and it looked like it still says masks should be worn when in the presence of others. She thought the statement about strenuous activity was more for the general public. If we find some flexibility is okay we would like to offer that, but she hasn't seen anything that gives her comfort that it is, so our employees are wearing masks and taking as many breaks as needed to make it workable. Scott agreed that the statement about masks and strenuous activity was more geared towards public health and recreation, not employees.

Troy said John Wilkin with the state said they have found doing manual labor with masks very difficult. They are in the process of trying to develop something where they can get away from wearing masks.

7. Motion to Initiate Condemnation Proceedings for Pearl Street Sidewalk Project

Meredith said it does not appear we will get the warranty easement we need from the Vermont Studio Center for the Pearl Street sidewalk project. Our attorney advised that we need to go through the condemnation process. The Studio Center has three parcels involved. The first step is for the board to vote to initiate condemnation proceedings. Meredith emailed Jim MacDowell last week and got an email from the Studio Center's attorney Friday afternoon putting out potential ways forward that may not involve the condemnation process, which they do not want to see, although they support the project. But our attorney thinks the condemnation process is needed.

Meredith asked about extension of the grant funds and the person she talked to indicated that he thought a one-year extension would not be problematic. Gordy asked if she could get that in writing. Meredith read the email she received. Gordy said he thinks that is a good record. Meredith

said she can try to get something more definitive if the board thinks it is needed. The email is not a formal letter saying that the grant has been extended and giving a new due date. She doesn't know that we will get that until we demonstrate that we actually need it.

Bob and Phil said that it seems that we have no choice but to condemn based on the opinion of our lawyer. Gordy asked how much our share is that we can lose if we don't do this. Meredith said she believes it is in the low forty thousands. Gordy said we have a lot of money at risk then. We went out of our way and allowed one sewer line for two Studio Center buildings. We met them more than halfway on permits. He doesn't like condemnation but it doesn't seem like we have a choice. Other board members agreed.

Scott moved and Bob seconded to initiate proceedings and a petition pursuant to 19 V.S.A Chapter 7 to lay out a sidewalk and associated improvements along a portion of Pearl Street and Clay Hill Road as part of the Village of Johnson Pearl Street Sidewalk Reconstruction Project STP BP 18(23) and to determine whether property owners through whose land the new sidewalk passes or abuts are entitled to damages and the amount of those damages, with damages to be determined only for those properties that have not previously provided an easement to the Village.

Phil asked how we determine fair market value. Meredith said she will ask about that process. She is not sure if we use the full value of the few feet of land involved since we are not taking it all.

The motion was passed.

8. ***Business Loan/Grant State Program***

The state is interested in setting up a loan and grant program using revolving loan funds. Meredith communicated that we are not interested in providing grants. They said that is unfortunate because that is what businesses need right now. She asked if businesses could come directly to us and not go through the state program and they said yes. She thinks if we do want to participate in the state program but are not interested in the grant program we just need to be very clear about that. We offer a very low interest rate. The benefit of the state program is getting the word out. She thinks the board was somewhat split about lending to businesses outside of Johnson.

Gordy said he can think of at least six businesses on Main Street that may need help. He would like to see the money stay within our community. He agrees we need to get the word out.

Phil said we are seeing that a lot of small businesses don't want to take Paycheck Protection Plan loans because of the level of uncertainty. The loans are forgivable but it requires maintaining your staff, and businesses do not know what will be going on in the future.

Bob said he agrees with Gordy that the money ought to stay here.

Scott said he is split. If we could get businesses in our community more money by participating in the state program he would be all for it. If it is still the same amount of money he would like to have more local control.

Meredith said she thinks Johnson businesses could still apply through the state program and potentially get money from other communities whether or not we participate. She doesn't think our

participation affects whether our businesses can get funding from another community that may offer grants.

Scott asked what the advantage to us is of participating in the program. If it is only for communication he thinks we can do a fairly good job communicating to our town and village. He doesn't know that he would back participating if that is all we gain. Meredith said she thinks all we gain is their better communication and their willingness to take on investigating credit worthiness. Scott asked, when we have done loans before, how many hours were involved in the investigation for one application? Meredith said probably a few hours. We don't get that many applications so it is not a big deal.

Phil said we should remember that we get free advertising and we still get to say yes or no to each application. He doesn't see the downfall to participating. Meredith said the only potential downfall is that if we say we are going to participate but not give grants or give loans to people outside Johnson it may make us look like we are not being helpful compared to other communities. But maybe that is not a real problem.

Brian said he thinks Johnson is such a small community that we could make a phone call to each business. It doesn't seem hard to market our loans. Meredith said she could do a Front Porch Forum post reminding people of the simple application process and when the next meeting is.

Gordy asked if participating in the state program would require us to change our ordinance and our priorities. Meredith said she thinks we could just say the existing priorities are in effect. She is now leaning towards not participating and just doing our own outreach since we are not willing to go with the full spirit of what they are trying to create.

Bob moved not to participate in the state revolving loan fund program, Gordy seconded and the motion was passed.

9. *Letter of Support for NVU*

Gordy said the selectboard decided to send a letter regarding the impact of NVU on our community on behalf of the town and businesses. They discussed waiting a week to have the village participate and they decided not to wait. He wants to see if we can instruct Meredith to send a letter on behalf of the village showing what a financial loss for the village utilities it would be if NVU no longer existed. The letter would help support what the selectboard has already done.

Scott said Rick Aupperlee recommended that we include information about the per capita rate for ratepayers. We have such a small population that if NVU were to close the per capita rate would skyrocket. Gordy said we can also mention the poverty level in this community.

It was agreed that Meredith will draft a letter and send it to board members before sending it out.

10. *VPPSA Items*

Meredith said she will hold off on discussing the draft Integrated Resource Plan. She hasn't been able to work on that much.

Meredith said VPPSA hired Great Blue Research to conduct phone surveys of customers so VPPSA members could have data for their own marketing and so when VPPSA goes to the legislature they can provide evidence of customers opinions and feelings. In 2020 the frequency of

positive ratings for the six characteristics surveyed was above 95% for Johnson. Customer satisfaction for Johnson was 2.7% higher than for VPPSA as a whole. The percentage indicating the utility met their expectations was 95.6%. Twenty-three people were surveyed – not a huge sample. Eighty-seven percent reported there were no additional programs or services they would like. A few people wanted renewable energy or off peak rates. Off peak rates are tied to smart meters. The percentage saying that service quality is more important than rates was 30.4%. Almost 35% said that rates are more important. Close to 74% said it is important for the utility to be municipally owned. Fifty-two percent reported having broadband internet and 67% were satisfied with their service. Only 30.4% of Johnson residents would support the utility providing broadband. That is less than the percentage for VPPSA as a whole. The state has come up with a plan suggesting that they would like to see utilities involved in providing broadband. VPPSA is reviewing the plan. Twenty-six percent of respondents were supportive of Efficiency Vermont fees being used for all efficiency, not just electric efficiency. Thirty percent believe the utility is more effective than Efficiency Vermont at providing efficiency service. The percentage unwilling to pay more for 100% renewable energy was 43.5%.

There has been talk about the state getting \$1.2 billion from the CARES act and using a big chunk of that toward deploying broadband throughout the state. Meredith will keep the board updated on those conversations and get more clarity about what might be asked of us. VPPSA is trying not to put up roadblocks but is mindful of not burdening small utilities with something that would require a big cost shift to ratepayers.

11. Discussion of Potential 2020 and 2021 Budget Impacts

Meredith said Susan ran a report showing how many electric accounts are past due for the period ending April 30. In 2019 for that same period there was \$17,000 in unpaid electric bills. This year the amount is \$40,000 – an increase of about \$23,000 or 138%. Unpaid water and sewer bills increased from \$4,100 in 2019 to \$13,400 in 2020, a 226% increase.

The moratorium on disconnects was extended through the end of May. Meredith's understanding is that the US Congress is discussing a potential fourth coronavirus relief bill that may include payments for municipalities. If we want to get funding we may be required to prolong the moratorium on disconnections. People are going to have huge unpaid balances when the moratorium expires and their ability to pay them off will be limited.

Scott said he feels for those who are unable to pay their bills, but there is no test to determine who is unable to pay. If he just decides not to pay his bills he can. Meredith said that is correct. There are people who may not have money coming in but there is the potential that some people are able to pay and are choosing not to because they don't have to. Gordy said he wonders what impact it has that NVU students who were sent home may not pay their utility bills. Meredith reminded the board that water bills are lienable but electric bills are not. Susan and staff have always tried to collect as much as possible on the electric side but it is challenging. It is concerning to see the number creeping up. We are required every month to report changes in our retail sales by rate class and unpaid amounts. Hopefully the state will take note. There needs to be awareness that this is a financial problem for utilities.

Meredith said we do not propose to revise anything in the 2020 utility budget. There are too many unknowns. We have only had one month to see the full impact of coronavirus. We are seeing

reductions in some expenses so it is still too early to tell what the impact will be. We are collecting data to help us figure it out.

Phil asked what the plan is for the 1st of June when unpaid accounts come due. Meredith said we suspect there will be some new requirement that allows people to pay back their bills over time. She would not be surprised to see a new set of rules about payment after the moratorium is lifted. Otherwise we would have a long list of people eligible for disconnection. She hasn't seen any specific guidance yet.

Meredith said she talked to staff at VPPSA to get ballpark figures for what the impact would be if the college closed down completely. The worst case scenario assumes that use of the college goes to zero, which is unlikely. It is likely the campus would be used for something else. Assuming the college goes away there would be about a 30% decrease in peak demand. Projected power supply costs would decrease about \$230,000 a year. There are total retail sales of about \$600,000 for the college. The net impact would be a loss of about \$385,000 a year under the worst case scenario. If VPPSA is going to help us do a more refined estimate it would be a much more detailed month-by-month model. They are projecting that if the worst case scenario happened and we didn't do anything to reduce our costs there could be a rate increase of about 27%. The average rate would be around 20 to 22 cents per kilowatt-hour, which is quite high. That is somewhat comparable to Vermont Electric Coop and Barton but it is higher than our current rate. She doesn't think the worst case scenario will happen. Usage will probably not go to zero.

12. COVID-19 Response Check-In and Update

Meredith said Troy and his crew will be returning to work tomorrow. Troy will get there first and get set up. We will hand out masks and hand sanitizer. We will have paper copies of a health form employees have to fill out each day. We will have a work plan.

In terms of FEMA reimbursement there has been clarification. It seems unlikely we are eligible for any reimbursement from FEMA. They are only reimbursing overtime costs. She has not accrued any reimbursable expenses. Our crew has not had any overtime attributed to COVID-19 response. They made it very clear that if you are getting paid your regular salary that was already budgeted to do COVID-19 work that is not reimbursable.

Dan said with the village's approval the water and wastewater plant can return to full staffing on Monday. Meredith said she thinks that is fine and the board agreed.

13. Village Green Use Application

Meredith said we got an application from Jason Papadopoulos who runs the gyro truck that is usually at Tuesday Night Live requesting use of the village green from 4 to 8 p.m. on Tuesdays. We usually do not allow use after 4 p.m. because we do not want food trucks to compete with brick-and-mortar businesses. But Tuesday Night Live is normally operating that evening so they would not be creating new competition. She thinks it makes sense to allow the use given that Tuesday Night Live is not occurring. The food truck does not need power; it has a generator. She would need to get the insurance information and proof that the owner has met the Department of Health requirements to sell food.

Scott said what we allow should be pending any state mandates or recommendations related to COVID-19. Meredith asked, if we can get clarification that a food truck is allowed, would the board be comfortable letting him set up in the next few weeks? Scott said he would want to see

something in writing from the food truck owner about their safety and health policy on selling food. But a new executive order could come out with new requirements. He wants room to move. Meredith said she doesn't think we will put tables on the village green for a while. We want to be clear that people should not congregate on the village green. Gordy said he would like to see the food truck at the village green if they can follow guidelines and if we have a way out if the governor comes out with stricter actions and we need to do something like shut the village green down.

Brian said he thinks it would be good to offer access to the village green to a local family for which this is a big part of their family income. He agrees that we need to communicate our concerns about what we expect and if things change we can change what we allow as long as we give him enough notice.

The board agreed to approve the application. Meredith said she will tell him that we need to see insurance and Health Department information and his plan for making sure state protocols are followed, and we will have to have communication about people not congregating on the village green. Brian suggesting recommending that the truck have a strong call-ahead policy.

Meredith said she will be back in touch with the board to set up a start date once she gets information from the food truck owner.

Scott moved to approve the application for use of the village green by the Papa Gyro's food truck with the contingencies discussed, Bob seconded and the motion was passed.

14. Executive Session to Discuss a Labor Relations Agreement

Phil moved to find that premature public knowledge would place the trustees at a substantial disadvantage and to enter executive session to discuss the labor relations agreement with only the trustees and Brian Monaghan present, Scott seconded, the motion was passed and the board entered executive session at 7:53. The board came out of executive session at 8:15.

Phil made a motion to approve the May 7, 2020 version of the IBEW Local 300 contract, Bob seconded and the motion was passed.

15. Adjourn

Bob moved and Scott seconded to adjourn at 8:34 and the motion was passed.

Minutes submitted by Donna Griffiths