

VILLAGE OF ENOSBURG FALLS
Meeting of the Board of Trustees
June 28, 2016

Present: Trustees - Walter Scott, Leonard Charron, Guy Breault, Bill Spears, Jr.
Staff – Jonathan Elwell, Caroline Marcy
Guests – Sandy Ferland, representing the Enosburg Business Association

Meeting called to order by Walter Scott at 6:35 p.m.

1. Modifications/Changes to Agenda

There were no modifications or changes to the agenda.

2. Review/Approve Minutes June 14, 2016

Guy Breault made the motion to approve the minutes of the June 14, 2016 Trustee meeting as written. Seconded by Leonard Charron. Unanimous.

3. Enosburg Business Association, Status Report on Lincoln Park Drinking Fountain

Sandy Ferland, representing the Enosburg Business Association, updated the Trustees regarding the status of repairs to the Lincoln Park drinking fountain. The EBA in conjunction with the Harvest Fest have set aside \$4,400 for repairs to the fountain. Sandy has contacted Steve Plouff ~~ee~~ who is willing to take the fountain apart in order to discover why it is not working. He has also offered to restore to original condition the bronze plaque and two lions located on the fountain.

Sandy respectfully asked the Trustees if they would be willing to assist if Steve discovers that the problem lies with the underground pipes. Walter replied that the fountain is an asset to the community. Leonard added that Lincoln Park is Village property and that we have some responsibility in this area.

Guy Breault made a motion to support the EBA's efforts at restoring the fountain to working condition by authorizing Village personnel to perform any excavation work that may be required to fix the underground water pipes. Seconded by Bill Spears, Jr. Unanimous.

Sandy continued to mention that the Missisquoi Cementary has an unused fountain that contains the same blue stone as the fountain in the middle of Lincoln Park. Sandy expressed to the Trustees that, if the width and curve of both fountains match, she would be willing to ask the Missisquoi Cementary board if they would give the blue stone on the unused fountain for use for repairs to the fountain in Lincoln Park. It was the consensus of the Board that this would be acceptable.

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4. 2016 Transco Stock Purchase

The Trustees briefly reviewed an email chain between Jonathan Elwell and Crystal Currier, Controller for VPPSA, regarding the September 2016 VT. Transco stock equity offer. Crystal states that VPPSA is planning to finance the offer for a term of 7 years with a 20 year amortization. VPPSA received quotes from two lenders, based on rates today, 1) 2.89% and 2) 3.62%. Keep in mind these rates could change as the rate won't be set until closing. Of the \$3,255,652.00 stock offer, Enosburg's portion would be \$236,475.00. In the past, the Village of Enosburg Falls has assigned the units as offered to VPPSA to purchase for our benefit.

Leonard made a motion to approved VPPSA's purchase of Vt. Transco stock of \$236,475.00 for the benefit of the Village of Enosburg Falls. Seconded by Guy Breault. Unanimous.

Ellen St. Marie arrived at the meeting at 7:15 pm.

5. Diesel #1 Building/Eco Park Building Communities, Recreational Facilities Grant Application

The Trustees reviewed information in their packet regarding the 2017 Recreational Facilities grant opportunity. The maximum available grant is \$25,000 per project with a 1 to 1 match. Staff is asking permission to pursue this grant opportunity to assist with the cost of site furnishings (i.e. park benches), perennial gardens/containers, and signage for the Eco Energy Park project. The deadline for the grant is July 1, 2016.

Leonard Charron made a motion to authorize staff to submit an application on behalf of the Village of Enosburg Falls for the 2017 Recreational Facilities Grant program and for Jonathan Elwell to sign any necessary paperwork. Seconded by Bill Spears, Jr. Unanimous.

6. Hydro Renovation Status Report

Jonathan Elwell handed out a memo prepared by John Lavigne, Project Engineer at the H.L. Turner Group regarding the planned upgrade to a 5-blade turbine runner. As a result of re-examining costs and other permitting requirements involved with replacing the existing 4-blade Kaplan turbine runner with a 5-blade runner, H.L. Turner Group is recommending that the Village perform a rehabilitation overhaul of the existing 4-blade runner and not pursue the 5-blade upgrade as part of the Village Plant's modernization program.

John continues to explain that the hydraulic capacity of the turbine runner would increase by 140-160 kW with a 5-blade replacement of the existing runner. This is an increase in capacity of about 25%. Even though there would be no change in the plant's hydraulic head and flow to

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achieve this capacity increase; meaning staying within the “operational” boundaries of the current FERC license, the 25% exceeds FERC’s 10% capacity threshold, triggering a license amendment along with approval of the regulation agencies (i.e. VTANR, VT Fish & Wildlife Dept., USFWS, VT Historic Preservation Div., etc.)

A review by the turbine vendors of the attendant mechanical (blade servometer, governor/gate positioner, and lubrication/cooling system) and electrical (generator, controls and switchgear) devices that would service the 5-blade runner revealed additional upgrades between \$100,000 to \$150,000.

As a result, the additional FERC permitting and mechanical/electrical upgrades would raise the total cost of the 5-blade runner system from \$250,000 to as much as \$500,000, and delay the facility modernization program by 6 months. The “breakeven” period would move from 7 to 14 years to recoup this investment.

At this point, Jon explained the concerns raised by David Westcom and Caroline Marcy in an earlier conversation about this recent development. David advised that the 4 blade turbine may be in a more defective condition than John Lavigne may realize. There is a serious crack in one of the blades which may require a complete replacement.

Caroline Marcy explained that the 25% increase in energy generation by going with a 5-blade turbine runner contributed *significantly* to the positive financial analysis and return on investment of her calculations. With the impending FERC re-licensing process starting in 2018, it is unknown how much energy generation the Village will lose when stringent water quality standards go into effect. The extra 25% increase in generation would help to mitigate these losses. Without this buffer, the return on investment becomes questionable.

Due to the serious financial implications of this decision, the Trustees had questions concerning the FERC issues/regulations involved with the increased generation over 10% and how this will affect the overall project and time schedule. Jon will check with John Lavigne for answers and report back to the Trustees before they make a decision on the 4-blade vs. 5-blade turbine issue.

7. Manager’s Report

- Penta Pole Update: About a year and a half ago, the PSB issued an order for an investigation into “penta” (pentachlorophenol) pole use in the State of Vermont. The investigation is now complete, and a report has been issued by the committee appointed to study this practice. The report recommends the

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use of “best practices” for penta poles with the goal of phasing them out as better options becomes available. Jon has spoken with Greg Clark to see if he has any concerns with the document, and he also concurs this is an acceptable outcome.

- Duffy Hill Road, Better Roads Grant: Some good news, in that we received a Notice of Award from our 2016 Better Road Category D grant application to perform culvert replacement work on Duffy Hill Road. The amount of this grant is for a maximum of \$40,000.00.

- Director of Finance Resignation- I have received the resignation of Caroline Marcy, Director of Finance. She has decided to take a position in accounting with a private firm. Her last day with the Village of Enosburg Falls will be July 15th. I’m sure you will all extend a tremendous “thank you” to Caroline for her three years of service with us. She will be sorely missed.

8. Other Business

Jon advised the Trustees that our Village Center Designation boundary amendment passed the Downtown Board approval on Monday, June 27th. Jon handed out copies of the new Board approved map.

In addition to the many benefits to local business owners who are now eligible for tax incentive programs that supports local revitalization efforts, the Village will receive priority consideration for several different State grants.

9. Executive Session – Personnel

Bill Spears, Jr. made the motion to enter Executive Session for the purpose of discussing a personnel issue at 8:10 pm. Seconded by Leonard Charron. Unanimous.

Guy Breault made a motion to come out of Executive Session. Seconded by Leonard Charron. Unanimous. The Board re-entered their Regular Meeting at 8:35 pm. There was no action taken as a result of Executive Session.

10. Adjourn

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There being no other business to come before the Board at this time, Ellen St. Marie made a motion to adjourn. Seconded by Guy Breault. Unanimous. The meeting adjourned at 8:35 pm.

Respectfully Submitted,

Caroline Marcy, Director of Finance

These minutes were approved as written with the correction replacing "Ploof" with "Plouff" and correcting the meeting date as June "28" and not June "14" at the July 12, 2016 Trustee Meeting.