Present: Trustees - Bill Spears, Jr., Guy Breault, Adam Goss, Walter Scott, Leonard Charron

 Staff – Jonathan Elwell, Caroline Marcy, Greg Clark

Guests - John Lavigne, Lee Carroll, Michael Manahan

For health reasons, Chair, Walter Scott requested that the Vice-Chair run the Trustees Meeting, but that Walter will participate on all agenda items. Meeting called to order by Vice-Chair, Adam Goss at 6:37 p.m.

1. Modifications/Changes to Agenda

Jonathan Elwell stated that he would like to add Trustee review of three (3) quotes received for repair and replacement of vinyl siding on gable ends of the building at 16 Village Drive to agenda item #5 Other Business.

1. Review/Approve Minutes of September 8, 2015 Trustee Meeting

Walter Scott made the motion to approve the minutes of the September 8, 2015 Trustee Meeting as written. Seconded by Leonard Charron. Unanimous.

1. Electric Department, Hydro Facility Renovation Project – Turner Group Engineering/Lee Carroll

John Lavigne, representing H.L. Turner Group, initiated the presentation by briefly reviewing the history of the project along with the prime goal of restoring energy generation capacity of the facility to the 5,000,000 kWh range – (equal to the average prime generation years of 1993-2007). In 2013, the Turner Group was contracted to provide a comprehensive feasibility study on the Village’s hydro operation. This study was commissioned with knowledge of the impending FERC relicensing process which will begin in 2018 and will take five years to complete (2023). At this point, time is of the essence since all work should be completed by 2018 – before the FERC relicensing process begins. After that, it will be very difficult to get this maintenance work completed while the FERC relicensing is taking place.

With this in mind, the work has been separated into two years: 2016 and 2017. John Lavigne presented an over-sized chart; color coded with the items to be completed in 2016 in red and items to be completed in 2017 in blue. As he previously discussed, the main work in 2016 will center on the electric and control issues followed in 2017 by work on the civil, building, and mechanical aspects. Lee Carroll strongly suggested that generator/exciter testing be performed as soon as possible. The testing results will indicate how much work will need to be performed on the generator. Generator/Exciter testing was incorporated in the work planned for November 2015.

The total cost of the project is estimated from $1,999,000 to $2,183,600. This amount includes a 15% contingency of $261,000 - $284,000, and $170,000 to cover the preparation cost of the bid documents and construction administration to be performed by the engineers.

John continued to review the chart with the Trustees to demonstrate how each improvement/repair will produce a power energy benefit. Based on an annual value of $0.06/KW-hr, this would provide income in the range of $348,540 to $353,160. These estimates were substantiated by Caroline Marcy through a historical analysis of past energy generation and revenue received from 2006-2014. Caroline stated that, although generation from 1993-2007 provided an average of $350,000 per year, she based future estimates upon a more conservative figure of $300,000 per year. Based upon $300,000, this would provide $107,000+ additional income over 2014 – [$195,946 - $155,207 additional income over what was earned from 2011-2013].

Walter Scott commented that according to the Vermont Municipal Bond quotes provided at the last Trustee’s Meeting [based upon a $1.5 million bond], the extra generation and consequential revenue will essentially cover the cost of the bond.

Jonathan Elwell briefly reviewed the estimated bond amount required, using the updated numbers provided by John Lavigne. The cost estimate included the value of lost generation due to downtime of $90,800.00. This expense, although a cost of the project, will be absorbed through the VPPSA power supply expense. In addition, the Trustees had been annually setting aside funds specifically for this project. This dedicated savings account currently has a balance of $282,558. Using the higher estimate of $2,183,600 and subtracting ($90,800) and ($282,558), yields a net bond requirement of approximately $1.8 million.

Adam Goss asked John Lavigne if the upgrade included a plan to maintain generation. John responded that each aspect of the project will have an Operations and Management (O & M) program along with a schedule and cost for maintenance.

Jon asked the Trustees, John Lavigne, and Lee Carroll if they would be interested in looking at the underwater videos provided by Hunt Underwater Specialities during the Kendall tailrace clean-up project. All in attendance proceeded to Jon’s office to view the videos on his computer.

After returning to the conference facility room, Guy Breault made a motion to approve moving forward with the hydro upgrade project at the presented project costs, and preparation of all work necessary to bring the project to a bond vote before voters at the March 2016 Annual Village Meeting. Seconded by Leonard Charron. Unanimous.

Greg Clark, Lee Carroll, and John Lavigne left the meeting at 8:05 pm.

1. Manager’s Report
* Underground Storage Tanks at 42 Village Drive – Jon advised the Board regarding a letter, and subsequent request that the Electric Department received. About three weeks ago, we received a letter from the State of Vermont, Department of Environmental Conservation asking us to submit an Initial Site Investigation to look into possible contamination from an underground storage tank (UST) that was removed seven years ago at 42 Village Drive. Apparently, the request had been made in 2008 while the tank was being removed, but had been overlooked. At the time, we were conducting a number of projects concerning UST’s and site contamination at both 42 Village Drive and the Diesel #1 Property. Most of this involved the Brownfields Program funding and Greg believes, at the time, he thought the Site Investigation had been done through that program. Apparently, it was not. DEC has indicated they still want the Initial Site Investigation completed (even though the tank is now gone) and so we are currently contacting approved, certified contractors to perform this work. We will bring quotes to the Trustees for review and approval, once we have received them, within the next month. The estimated expense to have this work done is approximately $6,000.
* National Grid Announces 20% Rate Increase in MA – Jon presented a report from CBS notifying Massachusetts electric rate payers of a potential 20% rate hike. This is a good opportunity to remind local rate payers of the benefits of community-owned public power verses privately owned IOUs. The Village of Enosburg Falls Electric Department has not had an electric rate increase in five years!
1. Other Business

Jon presented three quotes from area contractors regarding the repair and replacement of vinyl siding at 16 Village Drive on the gable ends of the building. The three quotes are as follows:

 S & S Construction $5,350.00

 Pete West Construction $5,650.00

 Perrault Construction $5,800.00

After reviewing the quotes, Walter Scott made a motion to accept the quote submitted by S & S Construction in the amount of $5,350.00 for the work to be performed as outlined in the proposal. Seconded by Guy Breault. Unanimous.

Walter mentioned that he had a brief conversation with Angela Wright, Zoning Administrator, about the proposed joint meeting with the Town. This date still has not been established yet but Angela will keep us informed.

Adam Goss announced that he has prepared a letter of resignation that will be effective October 1st. Adam will be moving out of the Village of Enosburg Falls area and will no longer qualify as a Trustee after that date. Adam stated that it was a privilege to serve the community and has enjoyed his term on the Board. Walter Scott took the opportunity to personally thank Adam for taking the reigns during his illness. Adam will be greatly missed by the Board, staff, and community!

1. Adjourn

Walter Scott made the motion to adjourn at 8:12 pm. Seconded by Leonard Charron. Unanimous.

Respectfully Submitted,

Caroline Marcy, Director of Finance

***These minutes were approved as written at the October 13, 2015 Trustee Meeting.***