

VILLAGE OF MORRISVILLE
WATER AND LIGHT REGULAR MEETING MINUTES

October 5, 2022
Wednesday

5:30PM
MW&L Office

PRESENT:

Trustees: Tom Snipp, Robert Heanue, Brad Limoge and Carl Fortune

Staff: Scott Johnstone and Kevin Newton

Public: Tom Cloutier, Kristen Marriott, Ira Marvin. Via Zoom - Dan Copp, Wayne Elliott, Kathy Chaffee, Cynthia Cloutier and Jill Mudgett

Absent: Travis Kanpp

1) CALL REGULAR MEETING TO ORDER:

Chairman Snipp called the meeting to order at 5:32 PM.

2) CONSIDER AGENDA ADJUSTMENTS:

Scott wanted to add purchase of shares of VT Transco as Item #8 and move following items down one number. On a **motion** by Trustee Limoge and seconded by Trustee Heanue, the board approved (4-0) adding Purchase of Shares of VT Transco as item #8, thereby moving all following items down one number.

3) APPROVE MINUTES OF REGULAR MEETING HELD SEPTEMBER 21, 2022:

On a **motion** by Trustee Limoge and seconded by Trustee Heanue, the board approved (4-0) the minutes of the regular meeting held on September 21, 2022.

4) CHECK REGISTERS (ACTION):

On a **motion** by Trustee Limoge and seconded by Trustee Fortune, the board approved (4-0) check registers.

5) 2023 BOD RATE AMENDMENT (ACTION):

- a. Presentation: Scott wanted to congratulate the Board on recognizing the issue in 2019 and coming up with a rate amendment. Now that we are on the backside of COVID, we are ready to implement the new rates. It would have been easy to just implement the new rate but as Scott met with the three impacted businesses, he began to hear varying versions of the story of how we got here. Scott promised the businesses that he would hear them out, think about if we had the right rate schedule and how it's applied. Everyone has been very professional, open, honest and are contributing jobs and products. It doesn't mean everyone is happy about having to pay more. We are here to recommend a change to the rate schedule that was adopted in 2019 based on these conversations. The key here is rate fairness. We have one group that is creating high strength waste and we don't want other groups to cross-subsidize each other. The cost of service should be commensurate with the strength of the waste. Scott reminded everyone the definition of high strength waste is any waters or waste being discharged that are above domestic strength in nature and require additional treatment and handling at the wastewater treatment plant. It doesn't mean that all people who create a higher strength should be charged a fee. There are four criteria for being considered for a high strength fee: concentration of plumes in the discharge, the volume of the discharge, the frequency of the discharge, and the impact of the discharge at the WWTF. The ordinance doesn't state that you have to meet all four criteria to warrant the higher fee. The Board can decide that any one of them rises to such an egregious level that if you only meet one criteria the Board can decide to apply a higher fee. We asked Wayne Elliot of Aldrich & Elliot (A&E) if

there was a best practice across the state because we don't want to put our businesses at an economic disadvantage. Wayne stated that what the Village is looking at and proposing is a very common billing method in Vermont for many communities. The State actually developed this formula, or a variation of it, approximately 25 years ago for a dairy industry in Enosburg Falls. In the last five years, this has gotten a lot more attention with the increase in the number and size of breweries, distilleries, and cideries. Food production companies and maple companies are also being looked at more closely. This billing method goes back to the cost to treat. A&E looked at the expenses for operation of the WWTF minus depreciation. It costs the Village more to treat high strength waste. MW&L is proposing using data from October through September to determine the amount of BOD/company to determine the surcharge for the following year. The surcharge is the total pounds of BOD times the new rate and divided out over 12 months. Scott is hoping to implement the new rates in January 2023.

Trustee Heanue asked if the State requires the WWTF to test for phosphates. Two of the three business that will be impacted have pre-treatment permits that do not require phosphate testing but the State may change that in the future as we discharge into the Lamoille River which then discharges into Lake Champlain. Dan Copp stated that the phosphorus levels at the WWTF are about average. If those levels increase, we would need to add alum to the process to make the phosphorus bind to the sludge. Trustee Fortune stated he liked the simplicity of the proposed billing amendment – based on cost to treat. He wanted to know if we are in a good position to catch any other high-strength dischargers. Our crews are routinely testing across our system. If we have concerns about a specific business, we concentrate testing there. We do not have any data showing that any business is rising to a consistency that would trigger further testing. We might institute a more rigorous grease trap inspection and disposal requirement as a way to address that type of high strength producer. Trustee Limoge asked if there was anything that MW&L could do as a utility to help customers mitigate high strength discharges. Scott stated that acting collaboratively and being transparent with each other is the first step. What has not been as publicly recognized is the incredible reductions that have been accomplished by these three companies. He wants us to continue to be an entity that helps businesses reduce their costs. Trustee Fortune asked if the three businesses, and MW&L staff, were satisfied with the accuracy on how this is measured. Scott feels reasonably so but it would not be fair to say everyone was totally comfortable. There is a long history of mistrust that he is not exploring how it occurred but it will take time to build back that trust.

- b. Public Comment: Tom Cloutier verified that only three businesses meet the criteria for this high-strength billing amendment. Ira Marvin verified that this new charge would be in addition to flow charges.
- c. Deliberation: Trustee Fortune verified that the cost to treat numbers were from 2021. Does Scott see that drastically changing as everything is more expensive in 2022? He doesn't see it drastically changing. Tom Cloutier asked what the total increased costs were. Scott could not be specific due to confidentiality but it is less than \$10,000/year. On a **motion** by Trustee Heanue and seconded by Trustee Fortune, the board approved (4-0) the amendments to Section 3B of the Wastewater Special Rates as proposed and direct staff to take actions necessary to implement these rates beginning in January 2023.

6) VILLAGE SPECIAL PROJECTS (ACTION):

We received two requests for funds. One from Copley Country Club to extend the underground electric service over to where they erect a tent. The second request is from the Town to put security cameras at Oxbow Park. The Town is confident they can complete their project before year's end (when the funds expire) and are asking for 50% funding of the project. At the time of Copley's request, they did not have any bids and could not say if they could conclude the project in time. In the criteria, security projects are specifically listed as eligible but undergrounding electric is not specifically listed. Trustee Heanue, who is a member of CCC, stated that the Planning Commission is holding meetings at the country club and it gets dark. This is Village property and if someone falls because of lack of lighting, it will be the Village that gets sued, not the country club. He sees it as a safety issue. On a **motion** by Trustee Heanue and seconded by Trustee Limoge, the board approved (4-0) both requests for Village Special Projects with \$3500 going for the Oxbow cameras and the remaining \$2743.52 going to the country club, as long as the CCC project can be completed in 2022.

7) 2022 MID-YEAR BUDGET (ACTION):

Purchased power costs are the only main concern. We can make it through 2022 without an electric rate case but we have VPPSA working on a possible rate case in 2023. Surrounding states are asking for 30-40% rate increases because they deregulated their electric utilities. When customers can pick and choose where they want their power from, utilities cannot enter into long-term power contracts. Fortunately, Vermont did not deregulate. The prices for power on the open market are what has gone crazy. Although we still purchase power from the open market, it is a very small percentage (5-7%). This is why the Board recently went "long" on purchased power to protect us from these wild fluctuations. Forecasts show purchased power on the open market could go as high as 35¢/kWh and on the spot market as high as \$1/kWh. MW&L locked in at 6¢/kWh. If we don't need it all, we can resell it. On a **motion** by Trustee Limoge and seconded by Trustee Heanue, the board approved (4-0) the 2022 mid-year budgets for all three MWL utilities.

8) VT TRANSCO PURCHASE:

VEC is releasing some of their VT Transco shares. We can acquire 839 for \$8390. On a **motion** by Trustee Limoge and seconded by Trustee Fortune, the board authorized (4-0) the purchase of 839 additional VT Transco shares. The Trustees encouraged management to take advantage of the opportunity, if it presents itself to acquire more shares in the process.

9) OTHER BUSINESS:

a. Management Update. Champlin Associates came in to talk about our water SCADA control systems which are currently running on obsolete PLC's (they run on Windows 95). We have hard lines between the wells, the reservoirs, our office and the Consolidated office that work fine until it rains. Dan Pratt will be able to conduct the prep-work for the generator at the well. Probably will not see the generator until March 2023. Tatro will begin Wednesday installing the water line on Union Street from Summer Street to Court Street.

The deadline for extending underground line extensions is fast approaching.

WCAX interviewed Scott for a story on the Green River Reservoir. Trustee Limoge felt the story was pretty objective, something we haven't always seen. Because municipal communities haven't always attracted the attention of Efficiency Vermont, VPPSA got EV to take three muni's a year to pay attention to. This year is Morrisville's turn. They had a table at Roctoberfest. They are doing a light bulb event in December. They had a special incentive that we were able to work with a local business on. We received

\$4000 bonus to convert all the fluorescent lighting in our office and the metal halide in the shop to LED (a total \$30,000 project). However, they have yet to determine what the core custom incentive will be.

b. Any other Business to come before the meeting. None.

10) PUBLIC COMMENTS:

Kristen Marriott had proposed at a recent Selectboard meeting that the various boards hold a public informational meeting where the public could ask questions of all of the boards. Chairman Snipp said they could think about it. Tom Cloutier stated there is an annual Planning Council meeting that is open to the public and Todd Thomas thought that might be a good time. Tom stated that the general public is confused as to who is in charge of what and are frightened by the recent development. The Chairman reminded Tom that the Trustees are only one entity but feels if someone has a question, Todd Thomas was the place to go because he usually has a handle on projects that are only beginning. He will know the timeline and when a project needs to go before which board and when. The public can then choose to attend any of the meetings.

11) EXECUTIVE SESSION:

None.

9) ADJOURN REGULAR MEETING:

On a **motion** by Trustee Fortune and seconded by Trustee Limoge, the Board adjourned (5-0) the meeting at 7:04 PM.

Attest: Travis Knapp