

**Joint Meeting of the Water & Sewer Commission  
And the Electric Utility Commission  
Meeting Minutes, March 17, 2020 (Amended Minutes)**

**Roll Call:** Steve Fitzhugh, Dennis Donahue, John Stevens, Charlie Morse. Others present: Town Manager Jeff Schulz, Utility Superintendent Patrick Demasi, Finance Director Laurie Baroffio. The meeting started at 6:00 PM.

**Approval of Minutes from the February 8, 2020 Meeting**

Motion by Dennis Donahue, seconded by Steve Fitzhugh, to approve the minutes of February 8, 2020. **Motion passed 4-0.**

**Meeting of the Electric Commission**

**Land Purchase - 138 King Street**

Jeff Schulz updated the Commission on the potential land purchase at 138 King Street noting that he had been negotiating with the owner of the property owner and has negotiated the sale price down from \$150,000 to \$78,000. Charlie Morse suggested investigating obtaining the land for the station expansion by purchasing land to the north. The Commission discussed the sale details and it was agreed that the Town should explore other options to obtain the additional land for the expansion, versus the land purchase.

**Other Business**

Charlie Morse asked if the Utility Commission had considered approaching Norwich regarding the Town installing a solar facility on Norwich's parcel of land to the north of the well-field property. Charlie added that the property is down-stream from the wellfield property and has good south facing exposure. In addition, the Town should still have an easement to and across the property. Steve Fitzhugh noted that about a year ago, there was discussion by the Utility Commission and the Select Board regarding a potential land swamp whereby the Town would exchange a town parcel along Route 12 for the Norwich parcel. Steve noted that Norwich appeared interested in the land swamp, however, the Select Board stated a concern regarding the land swamp due to previously expressed opposite by neighboring property owners. Steve stated that he would reach out to Encore Renewables, the developer of the Bone Hill Solar project, to perform a feasibility assessment of the Norwich site for a solar project.

Steve Fitzhugh stated the final agreement for the Bone Hill solar project is nearly complete to allow for the start of the project. The project developer's share of the required cost to solve the transfer trip issue will be incorporated into the power

purchase agreement such that NED will receive a larger revenue stream over the life of the project.

The Certificate of Public Good (CPG) for the Dog River Hydro project is still in process, and once approved, will allow the project to be a net metered project. We are still negotiating the power sales agreement for the project with the terms of the developer's share of the required cost to solve the transfer trip issue to be determined.

Steve stated that the agreement between GMP and NED for the West Hill interconnect is still in process and the final items to be addressed include the type agreement that the PUC will accept and whether a tariff is needed. Other items to be considered include compensation for energy loss and line maintenance.

## **Meeting of Water and Sewer Commission**

### **Water/Sewer Budgets**

Jeff Schulz stated that the water and sewer budgets before the Commission were developed prior to the virus issue and we anticipate revenue losses for water/sewer and electric utilities - the most of significant of which will come from Norwich. Doug Reed will be reading the meters in April which will provide information to better understand the initial revenue losses.

Next, Jeff presented an overview of the draft budgets. The draft water budget at this point shows a total expenditure short fall of \$97,200. The Commission has used cash surplus over the past several years to support the budget and to minimize the rate increase. Also, last year, \$10,000 in HRA surplus was included in the budget. The draft budget does not currently include the use of cash or HRA surplus funds. Estimated water revenues are projected to be down \$59,680. The Commission has approximately \$151,000 cash and \$8,000 HRA for use in the budget.

Water Department operating expenses are budgeted to be down \$6,810 (0.8%). Personnel expenses are budgeted for little change. Administration costs should be lower due to lower interest payments on bond payments. However, principal bond payments are up \$9,850. Further, the CIP is budgeted to be up \$34,480 with the increase primarily due to water line replacement projects.

The draft FY 20/21 sewer budget shows a total expenditure short fall of \$31,520. Last year, the Commission used \$14,000 in cash surplus and \$7,000 in HRA to support the budget and reduce the rate increase. The draft FY 20/21 sewer budget also does not include the use of surplus cash or HRA funds. The Commission has approximately \$127,000 in cash surplus and \$8,000 in HRA surplus for use in the sewer budget. Operating expenses are up slightly by \$4,260

(0.5%). FY 20/21 sewer debt payments are static and the CIP is budgeted to be down \$2,510.

The Commission discussed the potential revenue losses and noted that once the revised revenue data is available, the Commission will schedule the next meeting. The Commission also discussed a tentative next meeting date of April 23, 2020.

Motion by Dennis Donahue, second by Charlie Morse to adjourn the Joint Meeting of the Electric Commission and the Water/Sewer Commissions. **Motion passed 4-0.**

Jeff Schulz, Town Manager