

**Joint Meeting of the Water & Sewer Commission
And the Electric Utility Commission
Meeting Minutes, April 27, 2020**

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 March 17, 2020 Meeting

Motion by Dennis Donahue, seconded by Steve Fitzhugh, to approve the minutes of March 17, 2020. Charlie Morse noted that the discussion regarding a potential Town solar project on Norwich's property should be included in the meeting minutes. **Motion as amended passed 4-0.**

Meeting of the Electric Commission

Renewable Energy Projects

Steve Fitzhugh stated that he contacted Derek Moretz at Encore Renewables regarding a potential Town solar project on Norwich's property north of the wellfield. Derek noted that the site has potential, however, he noted that there is an issue with the power lines and a lack a feeder line on Route 12. Derek indicated that he would further assess the site. Charlie asked when the power poles on the wellfield were taken down. Patrick Demasi noted the poles came down in the 1980s.

Steve Fitzhugh stated that there was no new information to report on the Bone Hill solar 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 net metered. The Town and the developer are stilling negotiating the power sales agreement 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 Business

Jeff Schulz stated that the Utility Commission received electric revenue data comparing data April 2020 to April 2019 and the data shows that amount of kilo watts sold is \$29,933 lower in April 2020. Steve noted that the actual dollar value

of the loss is less because the utility purchased less power. Jeff also stated that the electric budget will be ready for review Commission review at its next meeting.

Meeting of Water and Sewer Commission

Water/Sewer Budgets

Jeff Schulz presented the reduced sales for water and sewer for April 2020 versus April 2019, noting that the water revenues for April 2020 are \$8,066 lower and the sewer revenues are \$14,398 lower. Next, Jeff reviewed the revised draft FY 20/21 water and sewer budgets noting the budgets been were modified to account for further anticipated reduced sales in the first three months of FY 20/21. A zero-rate increase can be achieved if that is the consensus of the Commission.

The estimated revenues in the revised draft water budget were reduced by \$30,000 to account for an anticipated three-month reduction in sales. The revised operations portion of the draft water budget has been modified and is showing a reduced of amount of \$100,870 from the FY 19/20 budget. This reduction is attributed to the postpone of interest payments on the water bonds. The principle debt payments in the revised draft water budget were reduced by \$199,390 due to the postpone of the bond payments. The water budget CIP was reduced by \$57,820 to \$66,500 with the most significant reduction in water pipe replacement. The Water Department currently has enough pipe and material in stock to complete the next scheduled water line replacement project on Pleasant Street.

The Utility Commission discussed the revised water budget and agreed that during this difficult time there should not be a rate increase. Further, the Commission agreed that the amount of the postponed water bonds should be sufficient offset the loss of further revenue into next year. John Stevens added, if needed, the Commission can do a mid-year rate increase

Jeff noted that the estimated revenues in the revised draft sewer budget have been reduced by \$42,000 to account for an anticipated three-month reduction in sales. The revised operations budget was actually increased due to the increased cost and use of chemicals for the sewer plant during this past year – this line item was increased by \$10,000. No other modifications were made to the operations budget. To achieve no sewer rate increases, the draft sewer CIP for FY20/21 is zeroed out. Jeff added that he and Patrick are comfortable with this one-year approach as the sewer CIP has solid balances and it is not putting future system maintenance and replacement at risk.

The Commission discussed the sewer budget and agreed that there should not be a sewer rate increase at this time, and that if needed, there are sufficient funds in the CIP available to offset further losses.

Dennis Donahue stated it would helpful to see the full pay back on the postponed loans once the Vermont Bond Bank revises the amortization schedules.

Steve Fitzhugh made a motion to approve the water and sewer budgets as discussed and with no rate increase, second by Charlie Morse. **Motion passed 4-0.**

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

Jeff Schulz, Town Manager