

Minutes:

Stowe Electric Commissioners' Meeting
August 19, 2020 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron, Chairman; Larry Lackey, Vice-Chairman; Heidi Scheuermann, Commissioner

STAFF: Ellen Burt, General Manager; David Kresock, Director of Operations; Kristin Winer, Controller; Mike Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

GUEST: Tyler Mumley, Mumley Engineering

Dick called the meeting to order at 8:00 a.m.

Approval of the July 22nd, 2020 Meeting Minutes

On motion made and seconded, the minutes of July 22, 2020 were approved.

Other Business

Preliminary Presentation for a Proposed Easement: Tyler is working with Ethan Carlson, who owns the properties next door to SED (duplex residential building, the Barn building as well as the old Moscow Store building). Ethan is trying to re-vitalize Moscow Village and the first step is to demolish the duplex building to rebuild a new residential duplex building that looks and feels like the historical building. Ethan also has plans to bring the store building back, and renovate the apartment above the store. Tyler has been working with Ethan on the plans for the new duplex and also for the replacement of the wastewater system for the barn and the duplex. The duplex has an existing in-ground wastewater system, which is very old and grandfathered in. It does not have a permitted replacement area. The barn also has a very old in-ground system, and its replacement system is through an easement on Stowe Electric lands. Ethan's plan was to utilize that easement area for a replacement wastewater system for both the barn and the duplex.

Tyler proposed a wastewater system that takes the wastewater flow from the barn and the duplex and sends it to a replacement mound within the sewer easement. The request that Ethan has presented to Stowe Electric was to allow the duplex to use the barn's sewer easement area. Tyler stated that the current easement only says that the barn can use the easement for sewer. Tyler further stated that the request would not change the sewer easement size. The size of the mound would stay the same since they would be using pre-treatment systems for both the barn and the duplex which would allow Ethan to keep the same size mound as shown on the old maps.

Ethan feels that there would be no changes in impact from the standpoint of size or location, simply a change of use. Ethan is looking to start construction next week and tear down the building to get the sitework going and then complete the construction of the new building this year.

Tyler confirmed that this new system would increase the capacity of the current mound system to serve the additional building. The pretreatment system, with pretreatment filtration tanks would be located in the ground on the property of the barn. This allows the size of the mound to stay the same while doubling the flow. This plan has been reviewed and approved by the State and Ethan has a wastewater permit.

Should SED not grant a new easement, the alternative to this approach would be to squeeze in a mound on the duplex property, and then shift and move the mound for the barn onto Stowe Electric property. Tyler stated that this would actually necessitate moving the mound further into the easement area thereby taking up more of the easement area. Tyler showed the original plan from Jay Stewart from way back, with the current property lines and the proposed new lines. The new duplex building will be smaller, with a new overhanging porch, with set-backs as approved by the Town of Stowe. On both plans there is a pressure sewer line that will come up from the barn. This whole situation would be considered a best-fit solution, so there is a solid chance that the State will grant variances for those set-back and isolation areas.

There is a water line coming into Stowe Electric from a shared cistern that is currently providing SED with water. SED's desire is to build its own cistern on SED property. John Grenier is working on the design for SED's cistern to ensure the water supply to its building and employees. John & Tyler are working together on Ethan's system. Ellen stated that SED does not agree with Ethan's interpretation of the current easement and that the sewer easement is not for the whole property, but for a different area. Ethan also has a water line further down that is uneased. Ethan would need a new easement for the sewer system upgrade. SED's new cistern would not be built in the current easement area.

Tyler injected that he spoke with Jesse Goldfine (Ethan's attorney) yesterday, and that Tyler's plans show a sewer easement on the original plans, which are approved by the State and he believes correspond with the deed. Ethan is not asking for any revisions to the area of the mound or the force main. Furthermore, if the force main is in the way of where the ideal location for SED's new cistern would go, Ethan would be happy to work with SED to move the force main to accommodate that. Tyler stated that Ethan also just submitted an application to the State for the store building. This application, which includes the drilling of a new well near the store on that property, would allow Ethan to forgo that (uneased) water line that comes down from the cistern, around the barn on Stowe Electric's property.

It was decided that both parties need their lawyer's interpretation and confirmation of the easement boundaries, to then reach a conclusion and hopefully find a collaborative solution before September 1st.

Tyler Mumley exited the meeting at 8:49 a.m.

Financial Reports

June Financial Reports: SED ended June with \$553,000 in total net income, which is \$123,000 (29%) above the 2020 YTD budget, with the following highlights: While decreased electric sales to customers with the associated reduction in Purchase Power costs resulted in approximately \$78,000 net decrease to the bottom line, distribution expenses were \$158,000 less than budget due to purchasing limitations associated with COVID-19 directives and a hold on line-clearing contracting. Billing and the receipt of funds for the Town's underground project in the second quarter contributed to the significant improvement in Contract Work Fees.

August/September Cash Forecast: The results of the model with all current assumptions show that SED is not expected to experience cash flow challenges in 2020 due to stronger-than-expected billing and payment receipts, as well as continued overall reduction in power costs and conservative operational spending.

Operations Report

SED continues to work on the downtown underground project. All but two overhead services have now been transferred to underground on both sides of Main St. SED is planning on scheduling night work to safely remove the remainder of overhead conductors and equipment, and cut off the pole tops on Main Street in order to avoid having to work around vehicles and people.

The High School experienced an outage on July 24th due to a failed underground primary conductor. The underground failed due to age, and the High School lost one phase. SED crews placed a temporary conductor in the ground to get the power back on due to all three primary conductors being installed in the same conduit. While SED was developing the plan on how and when to replace conductors, on August 3rd SED lost a second conductor and had to do the full replacement at that time. Fortunately, SED was able to remove the old conductors and pull in the three new bigger conductors without any problems. The High School is the town shelter, and do not have a generator as of yet.

SED provided a mutual aid crew to Washington Electric and then Wallingford, CT for the four days after Tropical Storm Isaias. SED received a nice mention in the NEPPA August newsletter.

Regulatory Report

Case 20-0141-INV - Electric Power Losses and Their Impact on Telecommunications Resiliency: The Public Utility Commission (PUC) scheduled a second workshop on July 23rd. The Department of Public Service (DPS) provided a report on the number of locations with fiber or cable per town and the number of power outages per utility service area. The telecom data represented the availability of service, not the adoption of service. The only question for discussion was cell service coverage.

Case 20-0097-INV - Biennial Update of Net-Metering Program: Participants must file any additional information relevant to the PUC's consideration by August 17th. Many private

citizens filed comments, asking the PUC and DPS to maintain the solar adder, largely because the federal tax credit is expiring.

Case 20-0203-INV – Investigation into the Establishment of Reduced Rates for Low-Income Residential Ratepayers of Vermont Electric Utilities: The PUC filed an order staying the proceeding until January 2nd, 2021

Case 19-3603-RUL – 3.706 (D) (1) Pole Attachment Rates: The DPS and PUC updated the formula used to determine rates for the pole attachment infrastructure, and the Distribution Utilities (DUs) updated their pole tariff to reflect this change. SED has a list of ownership of the poles in Stowe, but is planning to eventually do a pole survey.

Case 20-0703-PET – Moratorium on Involuntary Disconnections: The PUC extended the temporary moratorium on involuntary service disconnections to September 30th.

Motion to Un-Restrict Highgate Funds

As the cash forecast looks good and SED currently does not need those funds, after some discussion the Board decided to not take action or make a motion.

Legal Matter (Executive Session)

The Board moved to go into Executive Session at 9:57 a.m. to discuss a legal matter. The Board invited Ellen Burt, David Kresock and Mike Lazorchak to stay. The Board made a motion to come out of Executive Session at 10:10 a.m. and the motion carried.

No action was taken or motion made.

Other Business

The Board scheduled the next Commissioners' meeting for September 16th at 8:00 a.m.

There being no further business, the meeting was adjourned at 10:11 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board