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**TOWN OF CHESTER
SELECT BOARD MEETING
February 19, 2025 Minutes**

Board Members Present: Lee Gustafson, Arne Jonynas, Arianna Knapp, Tim Roper, and Peter Hudkins at Town Hall.

Staff Present: Julie Hance, Town Manager, at Town Hall; and Susan Bailey, Recording Secretary, via Zoom.

Visitors Present: Hugh Quinn, Jeff Holden, Robert Nied, Wayne Wickens, Frank Bidwell, Peter Franzien, Mark Curran, Margie Straub, and Naomi Johnson at Town Hall; and SAPA TV, Erin Dougherty, The Chester Telegraph, Derek Suursoo, Linda Diak, Sharon Jonynas, Carl Henshaw, Steve Mancuso, Steve K. via Zoom.

Call to Order

Chair Arne Jonynas called the meeting to order at 6:30 p.m. and led the audience with the Pledge of Allegiance before welcoming everyone to the meeting. Arne reminded them of the sign-in sheet.

Agenda Item 1, Additions or Deletions to the Agenda

There were none.

Agenda Item 2 Approval of Minutes from the Select Board Meeting dated February 5, 2025

Lee moved and Tim seconded a motion to approve the February 5, 2025 meeting minutes. Tim noted that on page 1, line 41 the incorrect spelling of Judy Hallberg's last name. The minutes were approved, as amended.

Agenda Item 3, Citizens' Comments

There were none.

Agenda Item 4, Old Business

Report by Town Manager:

Housing Commission

Chester received a grant for a feasibility study of the town's 139-acre parcel located south of town. The Housing Commission is working with SE Group on the study and there will be an open house on March 18th from 4 p.m. to 7 p.m. upstairs. It will be interactive with a story board and people can vote and give their opinion on different types of things the commission is looking at. Julie encouraged everyone to attend. They are looking for community feedback on the concept of a housing development on the town's parcel and presenting different ideas and options and getting interest from the public. Afterwards, they will send a survey with the same questions and put that

1 information on the town website and advertise. They are preparing flyers, press releases, and
2 advertising will be coming out in the next couple of weeks. Peter added that there would be snacks
3 and prizes. Julie said to come for the food, and possibly win some gift certificates. SE Group also
4 did the Village Center Master Plan and the Wayfinding Plan.

5 6 Carport

7 The carport on Pleasant Street that was donated to the town was damaged in the storm. Cruiser 3
8 is under the carport and an officer's personal vehicle. They are working with the contractor who
9 built it and negotiating all the pieces. Julie would keep the board updated. Arne asked if the town's
10 insurance would be involved, and Julie said it would provide coverage for the cruiser, but the
11 carport wasn't covered by insurance because the lightweight metal structure is not necessarily
12 designed for this area. Julie said they will handle that with Jim Carrol. Arne was glad nobody was
13 hurt and noted it came down hard on the vehicles. Julie said they had it on video from 3 different
14 camera views. They have thoughts on where the failures were, which Julie would not identify at
15 this time but would keep the board updated.

16
17 Arne asked if there was any other old business, and there was none.

18 19 **Agenda Item 5, Appointment of Assistant Zoning Administrator**

20
21 Julie presented the board with the statute addressing this agenda item and policy that Preston put
22 together. The purpose of appointing an assistant is so Preston can use his vacation time and for
23 other times when he is away. Hugh Quinn, the current assistant, will fill in for Preston's role while
24 Preston is gone, and this will prepare him for transitioning into the position when Preston retires.
25 There was a copy of the policy for the members to sign if they agreed. Lee moved, and Arianna
26 seconded the motion to approve the policy. The motion carried unanimously, and the members
27 signed the policy. Arne noted that it authorized them to appoint an assistant zoning administrator,
28 and he entertained a motion to appoint Hugh Quinn as the assistant zoning administrator. Tim
29 moved and Lee seconded the motion. A vote was taken and the motion carried unanimously. The
30 members signed the authority to appoint assistant zoning administrator. Arne thanked Hugh.

31 32 **Agenda Item 6, Sewer Force Main, Pump Station, Gravity Line Project – Dufresne** 33 **Presentation**

34
35 Naomi Johnson, of the Dufresne Group, gave a PowerPoint presentation on the project, which is
36 attached to the minutes.

37
38 Peter asked about the financing. Julie said when they subsidize 50% of the loans and they have 5
39 years to begin repayment. They do that so the costs included in the loan are rolled into construction,
40 but if they don't go into construction within 5 years, they must begin repayment. The loan
41 paperwork is commitment that they will start repayment in 5 years. Arne asked if the force main
42 was going to a different location than the old one and Naomi said it was. Arne said the force main
43 had been a problem for a while and wondered if there was a chance it would fail and not be able
44 to be repaired or if, no matter what, they could repair it. Naomi said there is heavy truck traffic
45 non-stop up Route 103 and the other location where breaks have occurred are under railroad tracks.
46 Naomi said it was required to be in a sleeve and quality construction was important to make sure

1 it's properly embedded and the ledge will be removed. Arne was aware it had been giving the
2 sewer department headaches for many years and wondered if it failed completely if it could be
3 pumped out. Naomi said they would need trucks to come and haul it to the plant and it would be
4 expensive. Naomi said this was the largest pump station throughout the system. Arne noted a 500-
5 year flood used to be 100-year flood and wondered if the standards were more stringent. Naomi
6 said that federal funding projects require 500 years. Arianna asked if it was noted somewhere, and
7 it was. Naomi said it was a 1-foot difference in elevation from 100 to 500 years. In the 1970s
8 FEMA conducted flood studies and still used the same numbers. Naomi said that someone who
9 builds in the floodplain may be required to get a letter of map revision or amendment and prove
10 that whatever you're doing won't impact that. Naomi said they had to do that for this project
11 because the new facility will still be in the floodplain and said the federal government's position
12 was for critical facilities and this project is.

13
14 Hugh Quinn wondered how far it would raise the pump station. Naomi said the elevation of the
15 ground to where it is currently was 4 feet and there would be a drive for service vehicles going to
16 the pump station.

17
18 Steve Mancuso said infrastructure was essential to Chester but thought future growth was also on
19 the table and wondered if it could be rolled into it. Arne thought he was talking about the capacity
20 of the pump station for future growth and whether it could handle that. Naomi said they consider
21 that when planning and it would handle future growth.

22
23 Linda Diak wondered if the Clean Water Fund and other grants mentioned that were possible, if
24 they were state or federal funds and if state funds were reliant on federal funding. Naomi said
25 Clean Water was a state revolving fund which gets its money through EPA and was federal money.
26 Currently, there are no freezes on EPA funds. Linda agreed it was something the town needed to
27 do and that wasn't the issue but thought voters should understand that although Julie is a whiz at
28 getting grants and has done a phenomenal job, she's up against situations we've never had to deal
29 with before and Linda wanted voters to understand that there may not be offsetting funding. Naomi
30 said the money comes from the EPA and goes into revolving funds. So, if there came a time when
31 federal funds weren't received, the state would have large pots that aren't subject to restrictions.
32 Julie said they received their letter of approval from the state. This was a high priority application
33 and project. The next hurdle was they must provide them with a positive bond vote. Julie said at
34 risk was hazard mitigation funds which are grants that haven't been approved yet and are FEMA
35 funds. Financing from Clean Water would not be a risk. Other grant funds to lower the price could
36 be a risk. This is why they were seeking approval for the full project amount and anything taken
37 off is bonus money and the town plans for that. Arne confirmed that they plan for that and the
38 benefit of having it lowered from the federal government is uncertain because of what's going on
39 with the federal government right now. Julie didn't know if the state had yet received the hazard
40 mitigation funds for the grant awards. Julie said because their natural disaster was in July of '23,
41 the state may already have the funds, but she didn't know.

42
43 Peter wondered how hard it would be to include a manhole on the other side of First Avenue by
44 the railroad tracks. Naomi would have to sit down with Peter and go over the question. Jeff Holden
45 said he thought he had a manhole on the track side and had a drawing indicating that but because
46 the railroad was there, it was difficult locating it. They've used cameras and other methods and

1 can't find the manhole. Jeff thought it would be good to have a manhole on that side. Jeff said his
2 biggest concern was the force main and how close to failure it is. Jeff said there was buildup from
3 barnacles or iron deposits, and they would need to shut the road down if it failed and didn't know
4 how long it would be shut down for. Jeff said they have a grease problem and he's been using
5 degreaser. If it failed, it would be very expensive and that was why he had been pushing so hard
6 for the project. Arianna asked what the timeline was for the project. Naomi said they could go out
7 to bid this year but right now the request is to go forward with the project to start this year. Julie
8 is just waiting to hear if they're going to award the hazard mitigation grant. If Chester is approved,
9 which she hoped they could convey to the voters the critical nature of the project, at that point,
10 they could decide. The hazard mitigation funds Chester has applied for are 100% funding, so it
11 was potentially the entire pump station and was real money. Naomi said they have a list of
12 milestones that must be completed, including authority by bond vote, which is necessary to receive
13 the money. It was noted they will bypass Chester if it's not ready and give it to another town.
14 Arianna asked if they were ready. They are except for voter approval. Jeff has spent many nights
15 at the station keeping it running properly. Arne said although everyone votes, the water and sewer
16 users bear the cost, so it would likely pass. Jeff knew it was a lot of money but noted it would save
17 them in the long run. The board thanked Naomi for the presentation and Jeff for his input.
18

19 **Agenda Item 7, Solar Field Purchase Presentation**

20
21 Arne noted when the solar field was first erected there were purchase options in the contract for
22 the town to purchase it. The town has decided to pursue purchasing it and the financials worked,
23 and Arne saw it as a great asset to the town long-term.
24

25 Tim Roper gave a solar PowerPoint presentation, which is attached to the minutes.
26

27 Lee and Tim agreed that the system will continue to generate power past the 15-year life
28 expectancy. Julie said the financials were based on a 3.5% interest rate and she had spoken with
29 the bond bank, and the programs Chester typically takes advantage of have interest rates in the
30 3.23% to 3.27%. The bond program has a new energy efficiency lending program which this
31 project should qualify for and has an interest rate of 2.125% which makes the whole scenario even
32 better with respect to finances. Tim noted it wouldn't change the cash flow, but the ROI and Julie
33 agreed. Tim thought 3.5% was a safe number to use. Tim said renewable energy has value and
34 there is a market to sell renewable energy certificates. They asked Greenbacker what they're
35 getting paid for RECs now. Tim said it was a legacy solar system because of its age and has RECs
36 that can be sold. Tim spoke with his former co-workers at SunCommon who worked on the
37 commercial side, and they confirmed there is a market for the RECs today ranging between \$2 and
38 \$3 per megawatt hour which is 2 or 3 cents per kilowatt hour. Tim said that it would change the
39 cashflow numbers to Chester's benefit. Arne asked Tim to explain the REC concept. Tim said
40 Chester's would be sold to off takers in Massachusetts because Massachusetts created an energy
41 carveout and companies need to do something to show they're supporting the renewable energy
42 market and that's where Chester would potentially have customers. Tim found online where some
43 were looking to purchase them. Peter asked if they had spoken with Greenbacker to make sure
44 they hadn't sold them. Julie had emailed them, and Tim noted they can only be sold when they're
45 produced. Tim said they assumed they had a contract and wanted to see it. Tim said they wanted
46 to know what would happen to the existing contracts if Chester bought the system. There were

1 contracts with two off takers and if they didn't want to continue their contracts, Chester could use
2 the power which would be advantageous for the town. Tim said because it was a legacy system,
3 they could do that but under the proposed rules, you can't build a new system unless it's adjacent
4 to the off taker.

5
6 Derek Suursoo asked if they had considered the decommission costs. Tim said they had a warranty
7 of 25 years and if the system failed after that, the Certificate of Public Good had no expiration
8 date, and they would probably just continue to use it with new parts. Julie asked if they knew the
9 cost to recycle a panel and Tim said there were companies recycling them, but most were still
10 working, so there wasn't a scale. Tim said at some point there would be a lot of solar panels coming
11 down and a lot of the materials were recyclable, which were aluminum, copper, silver, silicone,
12 glass, and some plastic. Derek said they've addressed this at the solid waste district level, and due
13 to rapid construction, there will be a lot of panels on the market for decommissioning at the same
14 time and they're uncertain of what it means. Arne hoped once the 10-year payback was done and
15 the bonds passed, they could put aside some of the money generated, such as 10%, for the future
16 if spending money was required. Arne said the fact that there was nothing toxic in them was
17 positive. Tim said if there was money to be made by recycling them, someone would. Derek
18 thought having the money put aside in case there was a cost was a good idea and Arianna said that
19 was a good point.

20
21 Robert Nied expressed his support for the project and noted it made sense economically. Robert
22 said there were 114 homes in Chester that are solar-powered and are net metering to Green
23 Mountain Power. Robert thought there was a growing mindset that solar makes sense economically
24 and environmentally and thought it dovetailed well with solar making sense for Chester residents
25 as they were also pursuing it. Robert appreciated the work they were doing and said they were
26 lucky to have in-house experts, Lee and Tim, and the public could feel comfortable that the
27 decisions and recommendations from the board were well informed. Lee thanked Robert and said
28 if the substation was upgraded, they could have more solar and community solar because it was
29 grandfathered in and could sell the extra credits to homes in the community as space was available.

30
31 Carl Henshaw asked if 500,000 watts were bottlenecked at the substation or if something could be
32 done to improve the capture rate. Tim said it was a regulatory thing to have a meter system like
33 that and it had to be under 500kw AC. The designers wanted to maximize the power output from
34 the system, so they added more panels and the output is phenomenal. The short answer was no that
35 they couldn't upgrade it to the Certificate of Public Good in place. Carl asked if they could add
36 more to get more power to it. Tim said they could add more panels and keep the same AC rating
37 but didn't think the cost equation would be worth it. Tim said it adds efficiency to the system and
38 maximizes potential from the inverters. Carl said it would give it a longer runway whenever they
39 think about solar fields becoming less efficient over time. Tim agreed and said the panels degrading
40 were built into the sheet at .5 percent a year degradation factored in. Arne joked about who was
41 going to clean the snow off the solar panels and Tim said there was a new product that helps the
42 panels shed and covers the seams between the panels. Tim said the problem was the snow piles up
43 in front of the array and they could figure out how to solve that but added they wouldn't make
44 much solar power during the winter anyway. Tim said the spreadsheet he worked on was based on
45 actual production. Arne noted it had been an unusual winter. Arne said part of the loss of income
46 was rental of the land and wondered about the property tax paid since they rented and was told the

1 tax was on the equipment. Arne noted the land was the water company's and wondered if it
2 mattered regarding revenue sharing. Arne agreed it was a good idea to purchase the solar and after
3 10 years, really made a difference and since the estimates were on the conservative side, he hoped
4 it would be more positive than they expected. Arne asked about a cap and Tim said Green
5 Mountain Power had provided a 4.3% solar adder because the power benefits them, and it expires
6 after 10 years. The 4.3 cents goes away after 10 years and will go to about 20 cents per kwh from
7 24.3 cents. Arne asked if there were caps built in and Tim said they were with the off takers, as
8 well as a floor. Arne recalled people saying the price of electricity was going to go down but that
9 hadn't happened.

10
11 Jeff Holden said back when they were going to install it, he was all for it. Jeff said most of his
12 electric bills are administrative fees, so he's saved a lot of money, so for the environment and
13 economics, it is a good way to go. Anything they can do to keep taxes down is good. Diversity is
14 good for operations. Julie said they also received the \$500,000 municipal energy renewable grant
15 which is paying for the fuel switching in many of the municipal buildings and with heat pumps
16 when they can get to a point that they are generating the power, they will also generate the fuel to
17 heat the town buildings.

18
19 The board thanked Tim for his work. Arne hoped the townspeople passed the bond. Arne hoped
20 to get people who were specialists involved in the negotiations given the amount of money they
21 would spend. Tim noted there was a cell built into the sheet covering legal costs. Arne added that
22 he hoped the sun would shine for a long time.

23 24 **Agenda Item 8, Annual Financial Plan & Certificate of Compliance; Highway**

25
26 This was yearly bookkeeping required by the state. Julie said they receive state revenue every year
27 and must show what they spend on highway exceeds the state aid they receive. Attached to the
28 form is a certificate of compliance stating their road and bridge specs comply with the state. A
29 motion to approve the annual financial plan for the town highways was made by Lee and seconded
30 by Arianna. Tim asked if the cells on the left were formatted incorrectly. Julie said they sent it pre-
31 populated, and she couldn't remove it, but it was \$2.50 per mile. The motion carried unanimously.

32
33 Arne entertained a motion to approve the Certificate of Compliance for the town roads and bridge
34 standards and network inventory. Lee moved and Arianna seconded the motion. The motion
35 carried unanimously. The members signed the certificate.

36 37 **Agenda Item 9, No Suits or Appeal Pending; Listers**

38
39 Arne said this stated there was no legal action being taken against the town and Julie agreed.
40 Arianna moved to accept the declaration of no suits or appeals pending and Lee seconded the
41 motion. Arne didn't remember there ever being a suit and Julie said they had one a long time ago.
42 The motion carried unanimously. The member signed the certificate.

43 44 **Agenda Item 10, New Business/Next Agenda**

- 45
46
- Reorganization.

- 1 • Short-term rental update - Planning Commission present.
- 2 • Quarry discussion - Planning Commission present.
- 3 • Class 4 Road policy on March 5th.
- 4 • March 19th – appointments, paper of record, and the lady regarding the Town Forest
- 5 Management Plan.
- 6 • Arianna asked if on March 19th they could review the town manager, as March 5th seemed
- 7 like a big meeting. They decided to keep it on March 5th, as that was the date for renewal
- 8 of Julie’s contract.
- 9 • Peter noted they needed to talk about facilities like Jeffrey Barn, if it made it through the
- 10 winter. Arianna said they discussed a review of facilities.
- 11

12 Carl Henshaw asked about the solar revenue projections and St. John’s Academy and Pittsford
13 Power rates at .17 and .16 per kwh, respectively. Carl wondered if he could get their rates as they
14 were below market. Tim said it was in the contract between them and the current owner.

15
16 Peter left the meeting so he wouldn’t have to recuse himself and complete the required
17 paperwork.

18
19 **Agenda Item 11, Executive Session: Negotiations with landowner regarding Thompson**
20 **Road relocation (authorized under 1 V.S.A. §313(a)(2))**

21
22 Arne entertained a motion to say that public knowledge of these negotiations would put them at a
23 disadvantage in their negotiations regarding this property and what was happening. Tim moved
24 and Lee seconded a motion. The motion carried unanimously.

25
26 Arne entertained a motion to go into executive session for negotiations regarding the Thompson
27 Road relocation to include Julie Hance. Arianna moved and Lee seconded the motion. The motion
28 carried unanimously.

29
30 (Executive Session entered at 7:52 p.m.)

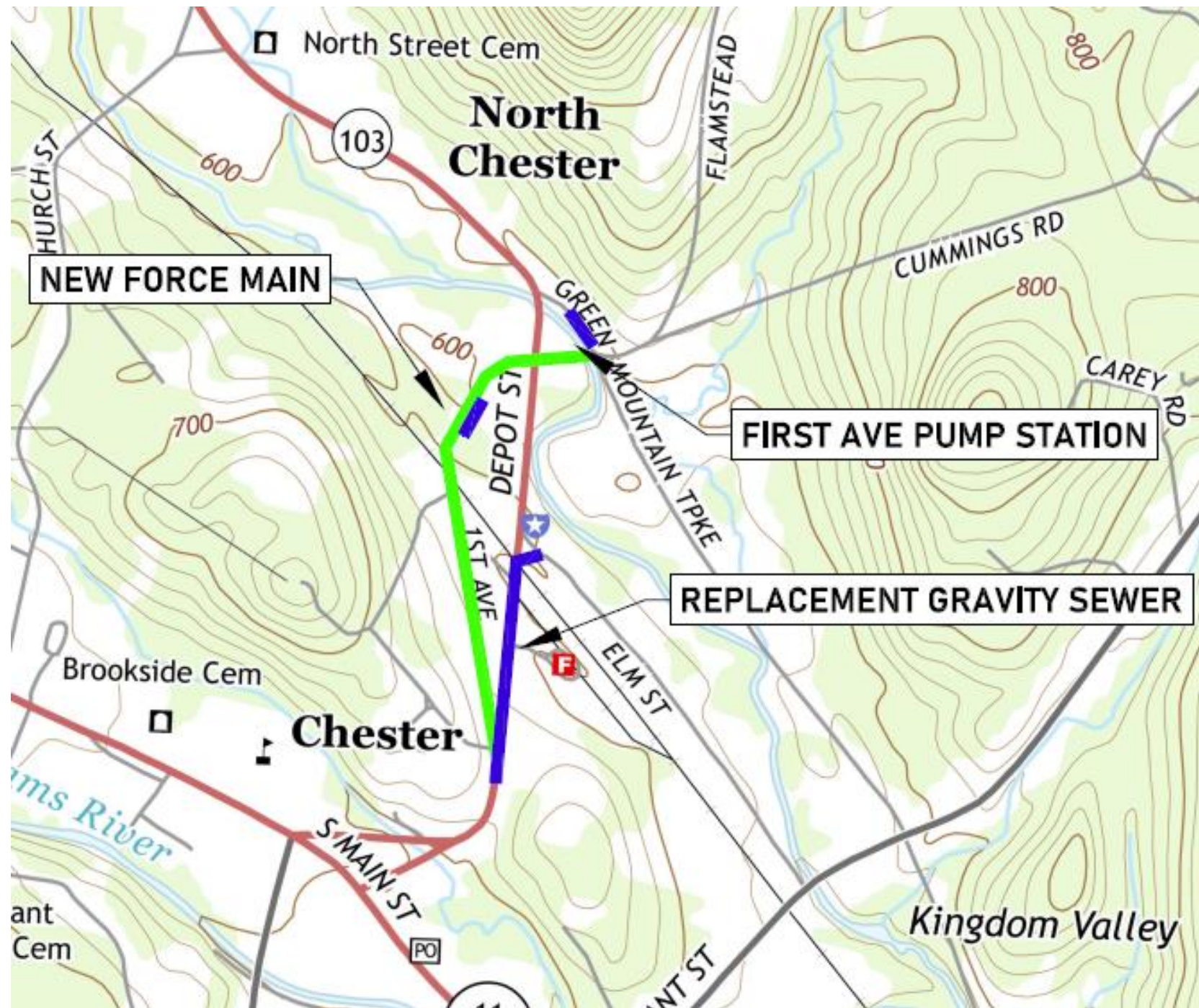
31
32 Arianna moved and Tim seconded a motion to exit the executive session. The motion carried.

33
34 (Executive Session exited at 8:10 p.m.)

35
36 **Agenda Item 12, Adjourn**

37
38 Lee moved to adjourn, and Tim seconded the motion. The motion carried, and the meeting was
39 adjourned at 8:10 p.m.

Chester First Avenue Wastewater Project



Description of Improvements

- New sewer force mains; 3,000 feet
- New pump station on First Avenue
- New gravity sewer main; 1,700 feet

Need for the Project

- Replace the force main that is restricting pump capacity
- Replace the pump station that is subject to flooding
- Replaced deteriorated mains that experience inflow/infiltration

2023 Asset Management Plan Results:

Table 3-7: Highest Priority/High Risk Assets

Asset Name	Risk	Notes
First Avenue Pump Station	20	The wet well and valve pit are in very poor condition. The station is at the end of its useful life. The station is in the 100 year flood zone and has been damaged by flood events.
Depot Street Force Main	24	The line is restricted with reduced capacity and has no remaining useful life. Breaks have occurred at the railroad crossing and adjacent to the town garage entrance drive.
Route 103 Sewer Main	15-25	Overall Pipe Ranking Index for 3 pipe segments is high from CCTV reports. Consequence of Failure is high for the trunkline to the WWTF.
Wastewater Treatment Facility	15	The sludge tank, SBR reactor cells, equipment in the process building and the control building exterior have high risk primarily due to age.
Legion Drive Sewer	20	Overall Pipe Ranking Index is high for 1 pipe from CCTV reports. Consequence of Failure is high for the trunkline to the WWTF. A portion of the piping has been damaged by flood events.

Aged and Restricted Mains



Flood Prone Infrastructure



Project Costs

Item Description	Estimated Cost
Contract 1 First Avenue Force Main	\$950,000
Contract 2 First Avenue Pump Station	\$492,000
Contract 3 Depot Street Sewer	\$735,000
Total Construction	\$2,180,000
Inflation to 2026	\$65,400
Contingency	\$220,000
Engineering	
Preliminary Design and Planning	\$102,100
Final Design	\$92,000
Construction	\$283,400
Legal, Administration, Fiscal	\$40,000
TOTAL PROJECT COST	\$2,982,900

The Benefits

- Provide reliable wastewater collection and pumping facilities
- Compliance with State and Federal floodproofing requirements (500 year flood)
- Replace deficient infrastructure: aged, cracked sewer mains and restricted/clogged piping

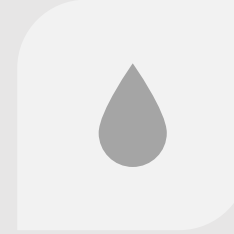
Finances of the Project

- The Clean Water State Revolving Fund offers a loan at a 30-year term with 2% annual administrative fee. Subsidies are provided to eligible applicants.
- The expected subsidies total \$847,000; this cost is forgiven/not repaid
- Loan repayment equates to \$12.52/user/month
- The town is applying for Hazardous Mitigation Grant funds, which could reduce the estimated loan

Project Implementation Plan



PRELIMINARY ENGINEERING IN
2023



DESIGN IMPROVEMENTS IN
2024



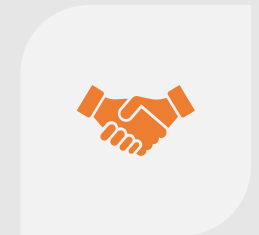
2025 BOND VOTE



COMPLETE CONSTRUCTION IN
2026



STATE CLEAN WATER
REVOLVING LOAN FUNDS AND
AVAILABLE GRANTS FOR
PLANNING, DESIGN AND
CONSTRUCTION



SRF LOAN REPAYMENTS
STARTING ONE YEAR AFTER
SUBSTANTIAL COMPLETION.

Chester Solar Array



Commissioned August 2015

7/29/2015 12:49

History

Chester entered contract to host the solar array in 2014

The current owner is GLC
Chester Community Solar, LLC

The system came online in
August of 2015

History

Three off-takers benefit from electricity production through Power Purchase Agreements

Chester, Pittsford & St. Johnsbury Academy all receive credits on our GMP electric bills

All three currently pay GLC Community Solar at a lower rate than what's credited to our electric bills

The Solar System



495 kiloWatts a/c Power



750 kiloWatts d/c power



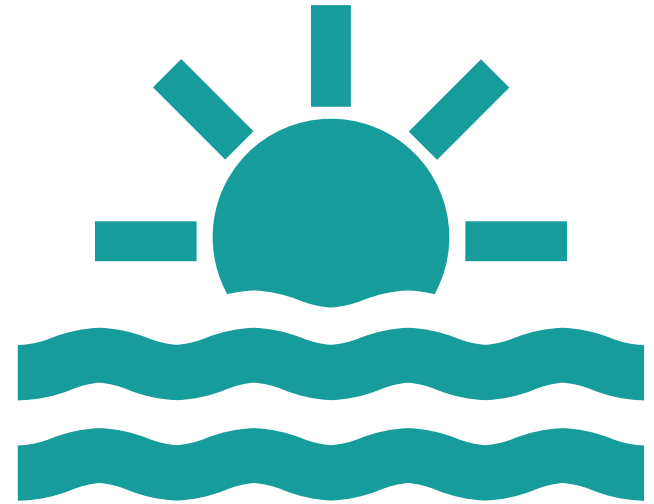
Grid Connected “Behind the Meter”



In 2024 the System Produced 778,833 kilowatt Hours

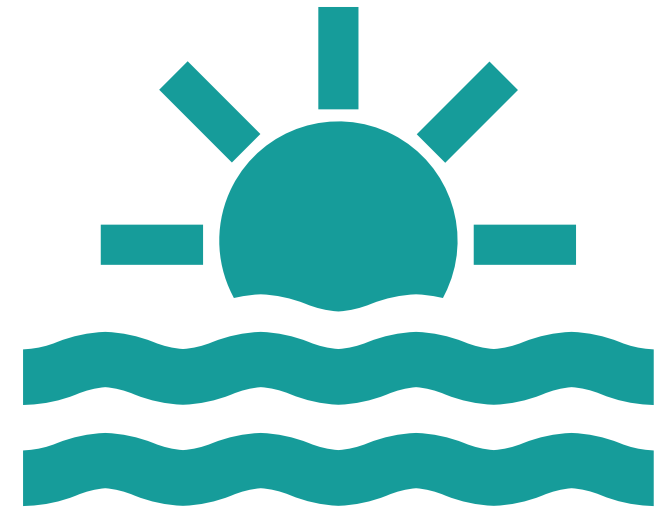
Why Town Ownership?

- Chester currently pays GLC Community Solar 90% of the value of the electricity credits received on our GMP Bills
 - We will receive the full value of those credits through ownership
 - As the owner, we will also receive the monthly payments from the other two off-takers



Why Town Ownership?

- Credits generated to offset Chester's electricity usage, combined with Payments received from the other off-takers are expected to generate enough \$\$ to cover the bond payments
 - Positive Cashflow Starting in Year One
 - Produces significant income for the town once the 10-year Bond has been repaid



The Financial Model

10-Year Bond not
to exceed
\$1,140,000

Bond Payments
totaling
\$135,276 per
year at 3.5%

Projected annual
revenue from solar
after expenses

\$136,327 in
year one

15 Year Return:
\$694,000

Year 11 Income
Projection:
\$142,000

Downsides?

We lose \$6k per year in rent

\$90k over 15 Years

We lose \$6k per year in property tax revenue

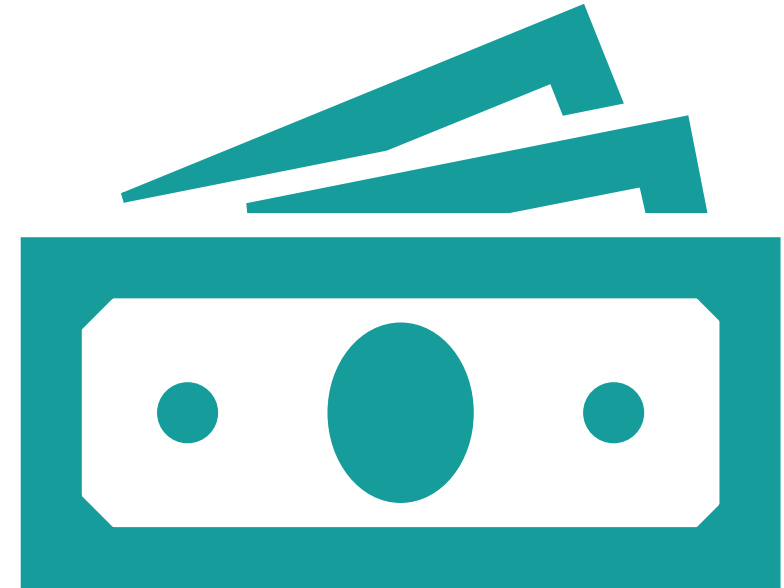
\$141k over 15 Years

This Reduces the ROI to 10.25%

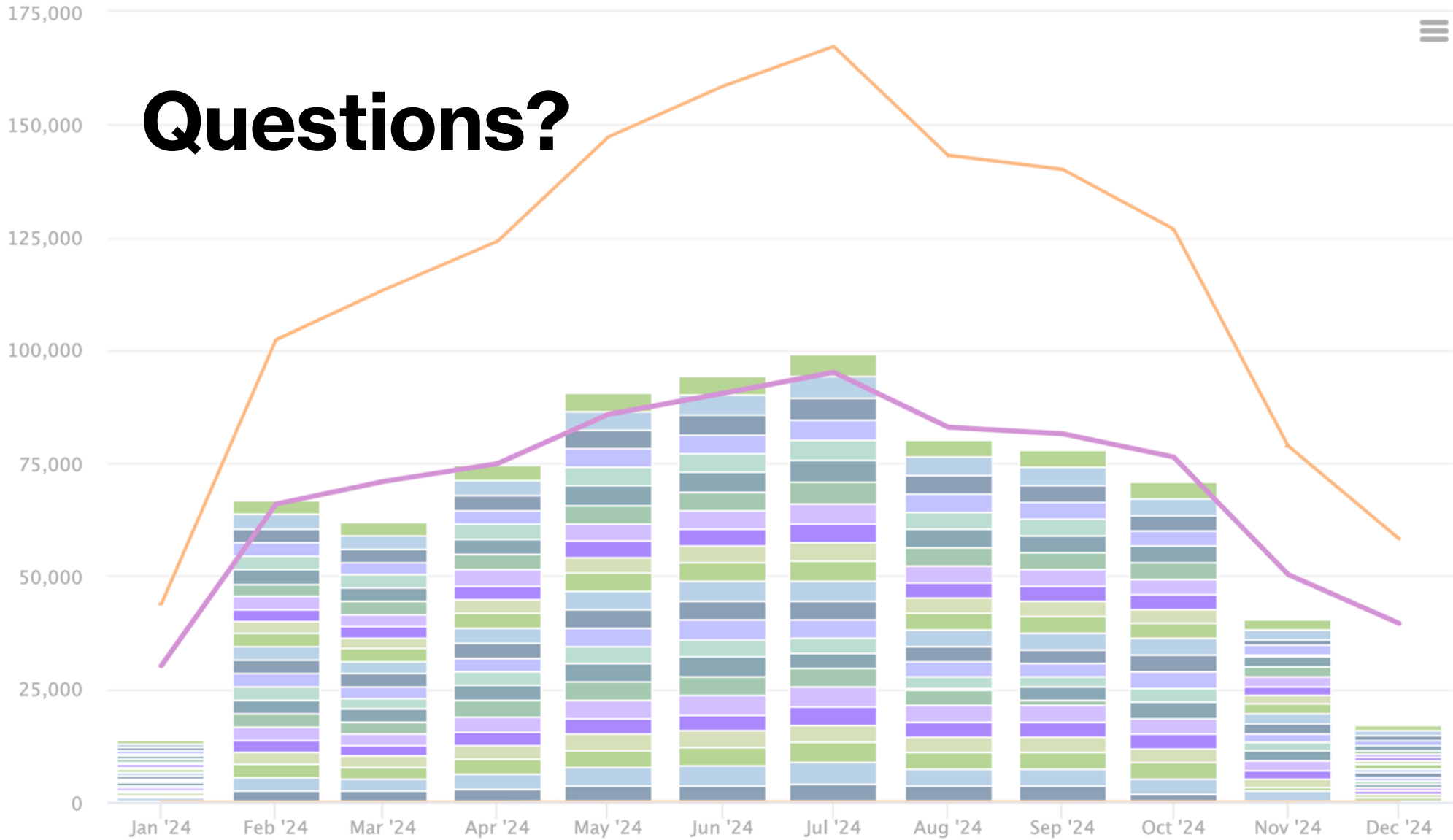
Good deal!

Summary

- 10 Year Bond not to exceed \$1,140,000
- Positive cash flow from solar production covers annual bond payments
- Years Eleven through Fifteen will provide the Town with cash revenue of over \$140,000 per year
- The Return on our borrowed Investment is projected at 10.25%



Questions?



System Size: 495.2 kW

Operating Since: 8/31/2015, 9:30:00 AM EDT