

**Joint Meeting of the Northfield Electric
and Water & Wastewater Commissions
Minutes of May 6, 2024**

Roll Call: Steve Fitzhugh, Dennis Donahue, John Stevens, and Charlie Morse. Others present: Town Manager Jeff Schulz, Utility Superintendent Jim Russo, and Finance Director Laurie Baroffio.

The meeting started at 6:36 p.m.

Approval of Minutes from Previous Meeting.

Motion by Mr. Donahue, second by Mr. Stevens, to approve the minutes of the April 1, 2024 meeting. **Motion passed 4-0-0.**

Meeting of the Water & Wastewater Commission

FY 2024/2025 Water & Sewer Department Budgets. As indicated in his written report, Manager Schulz said there are no major changes made in these budgets since the last meeting. Based on the proposed Water Department budget, there would be no increase in water rates in the next fiscal year. Since the last meeting, Ms. Baroffio reevaluated Sewer Department projected revenue and made some changes in order to limit the sewer rate increase. Mr. Fitzhugh said the major cost increase in this budget seems to be chemical purchases. Manager Schulz said we are now looking at a five percent (5%) increase in sewer rates, which would result in a 2.7% increase in the combined water/sewer rates. Mr. Donahue thought that would be an acceptable amount given the other significant cost increases in the current economic environment. He believes Manager Schulz, Ms. Baroffio, and Mr. Russo did a good job to keep the rates increase under control. Manager Schulz agrees that the proposed budgets are responsible and will provide sufficient funding to allow the utility departments to perform the system maintenance work scheduled for the next fiscal year. Mr. Donahue asked about the decrease in water and sewer use in recent years. Ms. Baroffio said usage has been going down for several years, even before the pandemic. Mr. Fitzhugh thought the ageing local population might be a factor in this, with kids moving away, etc. Mr. Donahue thought the growing popularity of low-flow toilets, showers, washing machines, etc. might be having an impact. Mr. Fitzhugh noted that in general water conservation is a good thing but it does have a negative impact on our revenue stream. Unfortunately, there is not a direct correlation between lower customer usage and operating costs as there are some significant expenses that are required to run the system, including chemical purchases. Manager Schulz concurred, stating that eighty percent (80%) of the operating costs cannot be reduced even with lower usage. Motion by Mr. Fitzhugh, seconded by Mr. Stevens, to approve the Water and Sewer budgets as presented and to forward them to the Select Board members. **Motion passed 4-0-0.**

Northfield Water & Sewer Department Upcoming Projects.

Main Street Waterline and Reservoir Replacement Project. Manager Schulz said the bond vote for this project was passed by voters on Town Meeting Day (03/05/24) and since then Project Manager Naomi Johnson (Dufresne Group) has been trying to secure the state funding for this project and developing the bid documents. It now has been confirmed that the state subsidy for this project will be fifty percent (50%), which he felt is very good news. Manager Schulz said this project will cost about \$8,000,000 so the municipality will be paying off a \$4,000,000 interest-free loan over the next forty (40) years. Mr. Fitzhugh said this project will provide significant improvements for our public water supply system and the local cost does seem reasonable. Manager Schulz said the bid package is now being drafted and we hope to send this out by June 19, 2024. There is an outside chance that some of the work on the side streets will commence this fall but that depends on a number of factors falling into place. The bulk of the construction work will start next spring. Mr. Fitzhugh asked about the short sections on either side of the Main Street Bridge. Manager Schulz said we still need to determine whether this work can be done internally but we hope it can be done this fall.

Main Street Bridge Replacement Project. Manager Schulz said the Vermont Agency of Transportation (VTrans) is trying to get everything lined up so this project can begin next spring. That remains their goal but that might become complicated by the nearby Cross Brothers Dam removal and other considerations. Some utility relocation work needs to be completed before the new conduits are installed as part of this project. Manager Schulz, Mr. Russo, and Mr. Fitzhugh will be meeting with VTrans representatives this Wednesday (05/08/24) and should have more information to report at the next meeting. Mr. Fitzhugh would like some solid numbers on what the utility work will cost.

Freight Yard Way Waterline Upgrade. Manager Schulz said the Select Board members have not made a final decision on whether to authorize the use of American Rescue Plan Act (ARPA) funds for this project. Mr. Morse, who also serves as a Select Board member, said it is possible ARPA funds will be allocated for this project but only after the total project costs have been finalized and there is more definite evidence that this project will promote economic development in the area. Mr. Morse added that the funds probably would be put into a reserve fund for later use. Mr. Fitzhugh said the Utility Commissioners endorsed this project in order to encourage local economic development and not because of any possible benefits to the Water Department.

Lead-Lined Pipe Inventory. Mr. Russo is hoping to have this project completed by the end of this week. Manager Schulz said the State of Vermont will reimburse the municipality for the employee time spent on this. Ms. Baroffio said according to the state contract, the reimbursement will be based on the number of waterline connections surveyed. The original estimate for reimbursement was about \$29,000 but with this change, we are now looking at about double this amount. Mr. Russo said this was a time-consuming project for him and his employees. Ms. Baroffio said the reimbursement funds will be a great revenue source for the Water Department budget.

Wastewater Treatment Facility (WWTF) Reevaluation. Manager Schulz said the outside reevaluation of the WWTF is ongoing. The process should be completed by this September. Then we will be able to determine whether any significant upgrades are needed and how much they would cost.

Donated Back Trailer. Mr. Stevens asked about the status of this vehicle. Mr. Russo said it is now in the garage waiting to be put into service once at least one Utility employee obtains a Class A Commercial Driver's License. One employee is taking the exam on May 15, 2024 so the vehicle should be in service in a couple of weeks.

Budget Status Reports. Manager Schulz said there is not much to report about this. The revenues remain down a little but expenses also have decreased. We now are looking at a slight surplus when the current fiscal year ends.

Meeting of the Electric Commission

FY 2024/2025 Electric Department Budget. Manager Schulz said Ms. Baroffio has some initial numbers for the proposed budget but had to get some information from the Vermont Public Power Authority (VPPSA) first. Now that she has that information, the draft budget is being prepared for discussion at the next commission meeting (06/03/24). Mr. Fitzhugh said VPPSA had to update Northfield Electric Department (NED) power load amount as the numbers they were using relied too heavily on the years when local power consumption declined significantly during the pandemic. He noted that power consumption has increased over the past couple of years. In addition, the State of Vermont is requiring public utility companies to increase the amount of renewable energy that they purchase. Mr. Fitzhugh said this sometimes requires purchasing another company's renewable energy credit to reach the required threshold. Such requirements probably will increase our power purchase costs over time. He added that this is a crazy business at this time.

Northfield Electric Department Upcoming Projects.

Smart Meters. Mr. Fitzhugh said that the Public Utility Commission (PUC) approved the VPPSA smart meter proposal about three (3) weeks ago. This released the state funding for smart meter purchase and installation, which will cover about half of the total costs. Mr. Fitzhugh said he, Water/Sewer Operator Peter J. DeMasi, and Utility Office Manager Doug Reed attended a meeting about smart meters last month in Swanton where the installation process was discussed in full. This included information about the meter configurations, the data collection units, etc. Mr. Fitzhugh met afterwards with a representative from Aclara Smart Technologies, the smart meter manufacturer, in order to view the eight (8) proposed data collection unit (DCU) sites in Northfield. Some of the utility poles on which they be located might need to be upgraded to host the DCUs. Aclara will provide all the installation equipment including the DCU boxes, the transmission antennas, etc. The antennas will be installed at the top of the utility poles. Mr. Fitzhugh said once the DCUs have been installed, we can start putting in some Water Department smart meters in order to test the data reporting system. The NED smart meters should be delivered by the end of the year and installation will then proceed. Once the system is fully online, Mr. Russo will be able to evaluate the local power grid remotely, which will include checking transformer loads, etc. Changes to the NED database can also be made remotely. Ms. Baroffio asked if the project preparation costs were included in the smart meter project budget. Mr. Fitzhugh believes all the additional costs related to smart meter installation are part of this budget but he will check into this. It is possible some minor improvements to the NED system could also be included in the smart meter project budget.

Water Street Transmission Line Replacement. As reported at the last meeting, some utility poles along Water Street Extension will need to be relocated further from the Dog River in order to lower the risk of flood damage. Green Mountain Power (GMP) will design the realignment, which will require approvals from various agencies before it can go forward. One pole that was damaged by the July 2023 local flooding will need to be temporarily replaced. Mr. Russo confirmed that some of the utility poles in the area are now too close to the riverbanks as the course of the Dog River has shifted in recent years. He added that GMP is very concerned about the possibility of utility poles coming down in a future flood. Permission from New England Central Railroad (NECR) will also be needed as part of the work will occur within their right-of-way. Mr. Fitzhugh agreed that this is an urgent project due to recurrent flooding along the Dog River.

King Street Battery Storage Project. Mr. Fitzhugh had nothing new to report at this time as DeLorean Power, the private entity pursuing this project, is still working on getting all the required permits, etc. Mr. Russo said some new transformers have been installed along King Street in preparation for this project. In addition, the power feed has been disconnected to the dilapidated building that DeLorean Power will remove as part of this project.

Nantanna Hydro Plant. Manager Schulz said he has been contacted by a British Columbia business that is interested in purchasing and reopening the hydro plant, which has been out of operation for several years. Mr. Fitzhugh noted that the current owners have had numerous problems with the site in recent years, including some flooding. Manager Schulz noted there are considerable back taxes on this property, which he hoped a change of ownership might resolve.

Budget Status Reports. Manager Schulz said NED revenues are about as expected and expenses are down considerably. Overall, the budget is in pretty good shape. Ms. Baroffio warned that power purchase billing usually runs a couple of months behind so we really don't know the full amount of expenses due.

Adjournment. Motion by Mr. Morse, seconded by Mr. Fitzhugh, to adjourn. **Motion passed 4-0-0.**

The Board adjourned at 7:40 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk