

**Joint Meeting of the Water & Sewer Commission
And the Electric Utility Commission
Meeting Minutes, May 1, 2023**

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

The meeting started at 6:30 PM.

Minutes from Previous Meeting

Motion by Charlie Morse, second by Dennis Donahue, to approve the minutes of the April 3, 2023, meeting. **Motion passed 4-0.**

FY 23/24 Electric Budget

Jeff Schulz stated that the Electric Department is facing a shortfall of nearly \$630,000 due to an increase in purchase power costs, wages, benefits, and VPPSA costs. In addition, last year' budget included the use of \$150,000 in surplus funds. Purchase power costs are increasing by \$315,590 (9.4%). The proposed FY 23/24 Electric Budget includes the use of \$155,000 in surplus funds and the transfer of CIP funds from two projects (land purchase and the Cabot project) that are not moving forward.

Steve Fitzhugh noted that that the increased cost in power purchase is due to the renewable energy requirements. In addition, there was an issue with the Mystic Power Plant near Boston, a supplier of power to the New England power grid, in which the operators miscalculated energy costs. The increased costs of this issue are being passed on to ISO New England customers.

Steve Fitzhugh noted that he is waiting for additional information for the Electric Budget and is revising project costs for the Electric CIP. As a result, the electric budget is not yet final but should be ready for adoption at the June meeting. Steve added that there are several Electric CPI projects in which he is revising cost estimates, including the smart meter project and the relocation of power poles from the floodplain within the Dog River Park across the river and on to the Freight yard way property.

System Reliability

Steve Fitzhugh discussed system reliability for Northfield Electric noting that over the past 10 years Northfield Electric, except for 2021 and 2022, was very reliable with limited power outages. During 2021 and 2022 there were several power outages that were not for long durations, however, those outages affected nearly all customers, which skewed the outage reports to the PUC. One of the required PUC reports is based on the number of customers without power, and with nearly all NED customers out during several periods it shows poor reliability.

Steve added that over the past ten years there have been system upgrades starting with the smart grid investment project and with several improvements over the past two years. In addition, Steve stated that he does not see any major issues with the system other than the recent issues with system connectors.

Charlie Morse asked if the most recent outages this past winter involved both transmission lines. Steve responded yes.

Water Sewer Commission

Water and Sewer Budgets Status Reports

Jeff Schulz stated that the current year water and sewer budgets are on track for the period ending April 30. Both the water and sewer revenues exceed projections by 4%, with the nonresidential sales (which includes Norwich) exceeding projections by over 10 %. The water and sewer expenditures are slightly over budget by 1%. The personnel costs are just under budget. However, material costs, primarily chemicals, are over budget due to supply cost increases and the State of Vermont's increased regulations on the water and sewer systems.

Project Updates

Jeff Schulz noted that the contractor for the Main Street Stormwater and Combined Sewer Overflow Project plans to restart the project the week of May 15. The contractor will start with installing the remaining stormwater lines across Main Street and adding several new catch basins. In addition, the contractor will remove the existing concrete under the pavement and fully pave the road within the project limits. The road paving is anticipated to be fully paved by July 1. The road will remain open to through traffic during construction with periods of minor delays.

Jeff also noted that the State of Vermont is requiring most water utilities to perform a water service line inventory to detect sources of copper and lead. The process will require the documentation of all water service lines in Northfield's water system and in some situations will require the cutting into the road pavement. The inventory must be completed by 12/31/2024. The estimated cost of the inventory is \$80,00 to \$90,000. The State of Vermont is offering grants funds to cover the inventory.

John Stevens asked about the mowing of the new recreation path from Freight yard way to Norwich, a portion of which is along the Town's sewer line easement. Jeff responded that the Utility department will mow the path every two to three weeks during the summer and fall.

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

Jeff Schulz, Town Manager