

**Joint Meeting of the Northfield Electric
and Water & Wastewater Commissions
Minutes of April 1, 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 6:30 p.m.

Approval of Minutes from Previous Meeting.

Motion by Mr. Morse, second by Mr. Donahue, to approve the minutes of the February 5, 2024 meeting. **Motion passed 4-0-0.**

Meeting of the Water & Wastewater Commission

FY 2024/2025 Water & Sewer Department Budgets. Manager Schulz said this is the time of year when the Utility Commissions start considering the utility department budgets for the next fiscal year. It was noted that the water and sewer rates for the next fiscal year will be based on the approved budgets for these departments. Manager Schulz said he, Finance Director Baroffio, and Utility Superintendent Russo have been working on the proposed budgets for some time.

Water Department Budget. Manager Schulz said the proposed Water Department budget for the next fiscal year now looks pretty reasonable. The proposed budget will not require an increase in the water rates as departmental expenditures will decrease by 5.7% in the next fiscal year. Most of this decrease is due to an old water project bond expenditure coming off the books. This will result in a 41.6% decrease in the Water Department's principal debt load. Manager Schulz added that this budget does not include the use of any American Rescue Plan Act (ARPA) or prior year surplus funds. These funds had been used in the last two Water Department budgets. Manager Schulz added that employee health insurance costs in this budget will go up \$19,170. He felt this has been an ongoing issue at this time, noting that the municipality has been averaging ten percent (10%) increase each year over the past decade. Chemical costs have increased significantly in recent months so this budget will be increased by \$9,000 in the next fiscal year budget. In addition, this budget includes the expense of a fourth utility department employee. This position had been left vacant after the retirement of former utility superintendent but now will be filled. The vacant position has been advertised this past month but Manager Schulz said it might be difficult to find a qualified applicant for this position.

Mr. Fitzhugh wanted to thank Mr. Morse (and the other Select Board members) for getting the word out to Northfield voters regarding the need to approve the water bond article on Town Meeting Day. Manager Schulz noted that the final vote on this article was 648 in favor and 311 opposed. He noted that he did hear support for the article before the election as residents thought it best to be pro-active in replacing the aged waterlines before Northfield suffered the same water supply problems affecting Middlebury. Manager Schulz added that the amount of funding the State of Vermont is willing to provide made this an especially attractive time to pursue this project. He has spoken to Project Manager Naomi Johnson (Dufresne Group) since the successful bond vote and she is fairly positive that the construction phase for this project will start early next year. It also is possible that the state subsidy for this project, which is no less than \$2,000,000, might actually increase in the next year. Manager Schulz is hoping that the project will go out to bid no later than this autumn but there are no guarantees regarding the project timeline due to the number of projects that are backlogged due to COVID-19. Mr. Fitzhugh thought it would be nice if there was some coordination between this project and the Main Street Bridge Replacement project that is also scheduled for next year. That might reduce the number of times pavement has to be torn up to install new utility lines, etc.

Mr. Morse thought that given all the major projects that are planned for the next couple of years, i.e. Main Street Bridge Replacement, Main Street Waterline & Reservoir Replacement, Cross Brother Dam Removal, King Street Battery Storage, etc., this might be a good time to discuss the possibility of hiring a project manager to assist the municipal manager with these projects. Mr. Morse noted that two recent infrastructure projects, i.e. the South Main Street Sidewalk Installation and the South Main Street Stormwater Mitigation & CSO Elimination projects, both were completed far behind schedule. Ms. Morse noted that funds for this new position were not included in the voter-approved FY 2024-2025 Town Budget so perhaps this funding could be included in the upcoming utility budgets. He said that most of these new projects do involve the utility departments and added that this was just a proposal at this time. Mr. Fitzhugh said most of these projects are at least a year away so there is no need to make a quick decision on this. He added that the King Street project probably would require minimal involvement from the municipality. Manager Schulz said some of the utility relocation work related to the Main Street Bridge Replacement may take place this year. Mr. Fitzhugh then thanked Mr. Morse for this proposal, which certainly deserves some serious consideration. Mr. Donahue asked who would be overseeing the dam removal project. Manager Schulz said Katrina Dailey from the Vermont Natural Resources Council (VNRC) has been spearheading this project. Manager Schulz said there is no need to approve the proposed Water Department budget tonight since it was just provided to the commission members. This proposed budget can be further reviewed and discussed at the next meeting.

Sewer Department Budget. Manager Schulz said this proposed budget provides a very different scenario than the Water Department budget discussed earlier that benefited significantly from a much reduced debt load. Manager Schulz said the proposed Sewer Department budget for the next fiscal year projects a 4.3% increase in total expenditures. Personnel costs will increase \$41,720 (21.2%) and the budget for material purchase will increase by \$33,700 (7.1%). The Capital Improvement Plan (CIP) will decrease by \$36,170 due to lower projected costs for the new dump truck, the Wastewater Treatment Facility (WWTF) rebuild, etc. Ms. Baroffio noted that the main reason for the increase in personnel costs is the aforementioned hiring of a fourth utility employee. The cost of this position will be split between the Water Department (60%) and the Sewer Department (40%). Manager Schulz said that no ARPA funds or prior year surplus would be used in this budget. The expected increase in sewer rates is 5.4%. Mr. Donahue said most municipalities would be pleased to keep their operational budget cost increases as limited as in these proposed budgets. Manager Schulz said he did feel rather pleased with how these proposed budgets turned out. He originally thought we would be looking at much higher utility rates increases. The combined water and sewer rate increase now looks to be about 3.5%. Manager Schulz said he thought the WWTF reevaluation project would cost about \$70,000 but the lowest bid for this work was about \$42,000. We also received a state grant that would cover about half of this expense. We now will have to wait for the results of the reevaluation report to see how much any needed WWTF upgrades might cost. As with the Water Department budget, Manager Schulz said there is no need to approve this budget tonight so this will be put on the next meeting agenda. He asked that the commission members should let him know if they have any specific questions or concerns about either proposed budget before then. Mr. Donahue asked if it were possible to provide some cost projections for Mr. Morse's proposal for a project manager. Manager Schulz will provide some options with cost estimates. Mr. Donahue then thanked all those who did such a good job on these proposed budgets. Mr. Morse agreed that impressive work was done on the budgets.

Ms. Baroffio left at this time.

Northfield Water & Sewer Department Upcoming Projects.

Utility Vehicle Replacement. Mr. Russo said the utility vehicle, which is shared by the Water, Sewer, and Electric departments, is due for replacement. Mr. Morse asked him to look into the possibility of replacing it with an electric vehicle (EV) but he found out that the lowest quote he could get for this was \$40,000. Mr. Russo added that there also is no one in the Northfield area who would be able to service an EV. He added that there are sufficient budgeted utility funds to purchase a gasoline-powered vehicle as a replacement as he did not feel purchasing an EV was either cost-effective or practical at this time. Mr. Morse thanked Mr. Russo for looking into this.

Manager Schulz said it might be a good example for Northfield residents to purchase an EV but there are too many logistical problems at this time. For example, the EV could not be charged at the Town Garage. Manager Schulz added that the primary current use for the utility vehicle is meter reading, which should be ending when smart meters are installed in the coming year. The vehicle is used for other tasks, such as delivering water-sewer samples, travel to training sessions, etc. There will need to be a decision whether or not to replace the vehicle at this time. As Mr. Russo said earlier, this purchase has been budgeted.

School Street and Pearl Street Waterline Replacement. Mr. Russo said waterlines will be replaced soon on School Street and about half of Pearl Street. The new pipes are already on hand.

Freight Yard Way Waterline Upgrade. Mr. Morse said that quotes have been received from three (3) water pipe suppliers for this project. This matter was discussed briefly at the last Select Board meeting (03/26/24) and will be discussed at further length as an action item at the next one (04/09/24). Mr. Morse would like the municipality to show its support for this project by using American Rescue Plan Act (ARPA) funds to purchase the needed water pipes as well as covering installation and other associated costs. The installation costs are now estimated at about \$100,000, which includes about \$35,000 for engineering costs. Mr. Morse would like the new water pipes purchased at this time as prices probably will go up in the near future due to the potential long-term closure of the Port of Baltimore, which could create supply chain problems. Mr. Morse noted that there is a place to store the new pipes before the installation process, which might not occur for a couple of years. He also believes that the local water ordinance may need to be revised to better regulate the private connections to the new, larger water main and allocate the costs of these hookups. Manager Schulz said we can look at the current ordinance wording to see if any amendments need to be made. Mr. Morse noted that the water pipe quotes were as follows: Johnson Hardware: \$36,417.88; FW Webb: \$35,671.79; and E.J. Prescott: \$35,125.09. He then asked if Mr. Russo had any preference amongst the bidders. Mr. Russo said he would prefer FW Webb as he has worked with them on similar projects in the past and he has found that their tapping sleeves work best. Mr. Fitzhugh noted the quotes were pretty close together. Motion by Mr. Fitzhugh, seconded by Mr. Morse, to recommend to the Select Board members that \$35,671.79 in ARPA funds be allocated for the purchase of new water pipes from FW Webb. **Motion passed 4-0-0.** Mr. Fitzhugh said this waterline upgrade should help spur economic development in the Freight Yard Way area.

Main Street Waterline and Reservoir Replacement Project. Manager Schulz said that since the Town Meeting Day bond vote for this project was successful (648-311), Project Engineer Naomi Johnson (Dufresne Group) has been working on creating the bid package and trying to get solid numbers regarding the State of Vermont's subsidy for this project. Manager Schulz said this amount will be at least fifty percent (50%) of the project costs. Ms. Johnson will provide an update on this project at the next Utility Commissions Joint Meeting (05/06/24). She will afterwards provide an update at a Select Board regular meeting. Mr. Fitzhugh said it would be good to have Ms. Johnson's views on the best way to proceed with this project.

Wastewater Treatment Facility (WWTF) Reevaluation. Manager Schulz said the outside reevaluation of the WWTF is now underway. We are hoping that the process will be completed by this September. Then we will be able to determine how to proceed with any needed upgrades.

Lead-Lined Pipe Inventory. Manager Schulz said Mr. Russo have been working on this inventory and the State of Vermont will reimburse the municipality for their time spent on this. Mr. Russo said this work is about seventy-five percent (75%) completed.

Donated Back Trailer. Mr. Russo said that courtesy of the town of Hardwick and Morrisville, a \$260,000 back trailer was donated to the Town of Northfield. This equipment can be used to deal with stormwater and sewer problems. The only concern is that since this is considered a heavy truck, those transporting it must have a Class A Commercial Drivers License (CDL). Mr. Russo said that currently, the utility operators only have Class B CDLs. Therefore, anyone planning to drive the new back trailer would need to upgrade their CDL license to Class A, which would require a six-week training session that would cost \$5,500 each. Mr. Russo is hoping that either he or Water/Sewer Operator Peter J. DeMasi (or perhaps both) could get this license upgrade in the near future. Manager Schulz is supportive of this plan but noted that the expense is not in the current fiscal year's budget. The cost could be added to the FY 2024/2025 budget and the training conducted after the next fiscal year begins on July 1, 2024. Mr. Russo noted that the new back trailer is an impressive piece of machinery and added that the only expense to the municipality was to have its tank fixed, which cost about \$1,400. He added that this vehicle will replace the current jetter, which will be sold once the upgraded CDL licenses have been received. Motion by Mr. Fitzhugh, seconded by Mr. Morse, to authorize spending \$5,500 to have one utility operator undergo the training in order to receive a Class A CDL license. **Motion passed 4-0-0.**

Budget Status Reports.

Water Department. Manager Schulz said this department's revenues are down about three percent (3%) from what had been anticipated but all is going well otherwise. He added that this department's expenses are also about three percent (3%) lower than had been projected so this does balance out. He added that chemical costs have been rising in recent months but Mr. Russo otherwise has been keeping costs under control.

Sewer Department. Manager Schulz said that this department's revenues are down by about three percent (3%) but its expenses are also down. The cost of chemicals and sludge management have gone up significantly in recent months. The WWTF sludge is now being transported to Canada and the federal and provincial governments are requiring additional testing of the sludge, which increasing the cost of processing and transportation. Manager Schulz has contacted Casella Waste Management to see if they will accept Northfield sludge again at its Coventry landfill, which could cut the expense significantly. He hasn't heard back from them yet. Mr. Russo said the Montpelier WWTF is willing to accept liquid sludge but he is unsure how that would work and whether there would be significant savings in transport charges, etc.

Meeting of the Electric Commission

Northfield Electric Department Upcoming Projects.

King Street Battery Storage Project, etc. Mr. Fitzhugh said DeLorean Power, which is pursuing this project, has been issued a Certificate of Public Good from the Vermont Public Utility Commission (PUC). However, DeLorean Power will still need to reach agreements with the Vermont Public Power Supply Authority (VPPSA) regarding energy costs and other matters. Mr. Fitzhugh added that with the Bone Hill and Bull Run solar farms now online, considerable power is being added to the Northfield Electric Department. Therefore, there should be no problem providing sufficient power to the new building at Norwich University (NU). Mr. Fitzhugh said there might have to be some consideration about whether NU or NED would own the new transformer that would serve the new building. There would be additional cost to NU if they owned the transformer. There are additional logistical concerns that need to be worked out with the PUC and Green Mountain Power (GMP) before any decision regarding the transformer's ownership is made.

Water Street Transmission Line Replacement. Mr. Russo said that one of the main transmission lines from the NU substation on lower Water Street (near its intersections with Terry Hill Road and Dole Hill Road) needs to be replaced. He thought that it might be necessary to temporarily shut down the NU substation while this work was being done. He has been in contact with GMP about scheduling this work. As part of this project, NED would need to install a flood-resistant utility pole. Mr. Russo is still working out the details with NU and GMP about this project. It also may be necessary to discuss moving other utility poles that are located in the flood plain along the Water Street roadside. Manager Schulz said the funds for this work is in the NED budget and the work does have to be done eventually.

Mr. Morse thought it might be possible to work with NU and the Vermont Natural Resources Council (VNRC) to remove the stone out of the Dog River that is causing flooding problems in this area. This work could be done in conjunction with the upcoming Cross Brothers Dam Removal project. Manager Schulz said the Vermont Agency of Natural Resources (ANR) usually has strong reservations about work done in riverbeds unless there are compelling reasons. Mr. Donahue also doesn't see ANR proving permission for sediment removal at this location. He also felt the river sediment would be replaced over time so the work wouldn't have any lasting results in any case. Mr. Morse felt there should be a conversation with ANR about the possibility. Mr. Fitzhugh feels that that this project should be expanded to include relocation of the transmission lines in the Dole Hill and Terry Hill area. This could perhaps include installing some of these lines underground. Mr. Russo would like to meet with Mr. Fitzhugh at this location in order to get a better understanding of what Mr. Fitzhugh is proposing. This meeting will be held in the next few days (weather permitting).

Budget Status Reports.

Electric Department. Manager Schulz said NED revenues are higher than anticipated while departmental expenses are lower than the budgeted amounts. Mr. Fitzhugh agrees that the current situation is good but he has concerns about expiring power purchase contracts with the Seabrook Station Nuclear Power Plant and other sources. He noted that the State of Vermont has been requiring public power companies to purchase ever increasing amounts of power from renewable power sources, which would be more expensive in the long run. He felt that there seems to be the attitude that the utility companies can afford the extra expense. Mr. Fitzhugh said the politicians and bureaucrats pushing these changes don't seem to realize (or care) that the additional cost have to be passed on to the utility companies' customers.

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

The Board adjourned at 8:05 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk