

**Joint Meeting of the Northfield Electric
and Water & Wastewater Commissions
Minutes of May 4, 2026**

Roll Call. Utility Commissioners Tim Davis, Dennis Donahue, Steve Fitzhugh, Michael Kelley, and John Stevens. Also present were Town Manager Mary Smith, Utility Superintendent James Russo, Finance Director Laurie Baroffio, and Gerard LaVarnway.

The meeting started at 6:32 p.m.

Approval of Minutes from Previous Meeting. Motion by Mr. Donahue, seconded by Mr. Stevens, to approve the minutes. **Motion passed 5-0-0.**

Meeting of the Electric Commission

FY 2026/2027 Northfield Electric Department (NED) Budget. Mr. Fitzhugh said Ms. Baroffio, Mr. Russo, and Manager Smith have been working diligently to get this budget prepared for Utility Commission approval tonight. He added that the NED financial situation is in a much better condition than at this same time last year. Ms. Baroffio first provided an overview of projected NED revenue for the next fiscal year. She said Steve Farman, the Vermont Public Power Supply Authority (VPPSA) Manager of Planning & Support Services, provided the data needed for these projections and that included the implications of the recent rate increase. Ms. Baroffio said that before these revenue figures go into next year's Town Report, they will be broken down between the revenue generated from industrial customers, residential customers, etc. She felt it was a good development that revenue is expected to increase in the next fiscal year. There also is miscellaneous income that includes interest income, energy stock dividends, etc. Ms. Baroffio confirmed that we are in much better shape with the rate increase. However, since there also were a number of significant expenditure increases, the NED budget now has a \$77,000 shortfall. Since the total budget amount is about \$5,800,000, this is a relatively small deficiency and she added that power bills do fluctuate throughout the year. As the budget shortfall last year was over \$900,000, the recent rate increase was certainly necessary. This was this first NED rate increase in about fifteen (15) years and the budget will need to be monitored in case additional ones will be needed in the near future. Mr. Fitzhugh said NED was in good financial shape in the first ten (10) years after the last rate increase but the situation worsened in subsequent years as the state legislature began increasing requirements for renewable energy purchases, transmission costs grew steadily each year, etc. He said that the battery storage facility planned for King Street should have a positive effect in helping to lower energy purchase costs during peak use periods. Ms. Baroffio noted the Public Utility Commission (PUC) prefers that public utility companies finance large infrastructure projects through borrowing rather than using cash on hand. She added that public utilities with large debts are more likely to have future rate increase requests approved. Ms. Baroffio said future transmission company stock purchases probably will need to be financed through VPPSA so NED will not receive the full dividend amounts as before in coming years.

Ms. Baroffio said the major NED operations and maintenance (O&M) expense is purchased power and this is expected to increase 4.9% in the next fiscal year (from \$4,316,910 to \$4,526,700). The rest of the O&M budget is based on recent actual expenses. The amount we pay VPPSA for non-power expenses will increase from \$167,160 to \$187,050 in the next fiscal year. Mr. Fitzhugh said the services VPPSA provides NED makes its operations possible and despite the cost increase this remains a great bargain. He added that VPPSA lobbies the state legislature on behalf of public utilities and also covers the bulk of legal expenses for rate increases, etc. Mr. Fitzhugh said purchasing power for public utilities has become much more complicated in recent years. Ms. Baroffio said the budget for interest on long-term bonds is only \$1,980 and this is a mixed blessing. Although it usually is better to have less debt, the lack of significant debt make it more difficult to convince PUC a rate increase request is truly needed. We now have two bond payments related to the same NED infrastructure rebuild project. The total annual payment is \$35,000.

Ms. Baroffio then provided a brief overview of the NED Capital Improvement Plan (CIP) budgets that include vehicle purchases, etc. Such expenses are usually split with the other utility departments. Mr. Russo noted that there is a current plan to trade in an old backhoe in order to finance the purchase of a used excavator, which would be a more effective piece of machinery. The net purchase cost is \$180,000 and the NED CIP budget would cover one-third ($\frac{1}{3}$) of the cost. Manager Smith said this sounded like a good opportunity.

Ms. Baroffio then gave an explanation of how inter-departmental charges are split between the utility departments as well as with town departments such as the Highway Department. She said there is a real attempt to make sure ratepayers and taxpayers are treated equitably when municipal expenses are allocated. Ms. Baroffio said due to the current cash flow situation, a number of CIP accounts will see no additional funding in the next fiscal year. It was noted that a number of these accounts already have healthy balances that should cover their expenses in the next fiscal year. Ms. Baroffio said \$78,000 in NED surplus funds can be reallocated in order to cover the current budget shortfall. Since these are enterprise funds, they can be transferred without requiring voter authorization. Mr. Fitzhugh felt the NED budget now under consideration was a good one. He noted that many New England communities are having a much harder time with their own public utilities. Motion by Mr. Donahue, seconded by Mr. Davis, to approve the Northfield Electric Department 2026-2027 budget as presented by management. **Motion passed 5-0-0.**

Mr. Fitzhugh then thanked all those responsible, especially Ms. Baroffio, for the excellent work on this NED budget. He did warn that one possible unexpected expense might be coming soon. At the last meeting, he discussed a recent Federal Energy Regulatory Commission (FERC) ruling that lowered the rate of return on transmission company stock purchases by one percent (1%) and also required transmission companies to return to utility customers the excess funds accumulated since 2011. At this time, the rough number for NED to contribute “to the pot” is \$384,000 with only some of these funds (\$120,000) to be returned to NED to (theoretically) redistribute amongst its ratepayers. Mr. Fitzhugh said this decision is being appealed by the transmission companies and the exact future impact this will have on NED is currently uncertain.

Ms. Baroffio left at this time.

Northfield Electric Department (NED) Project Status

King Street Battery Storage Project. Mr. Fitzhugh said substation circuits will need to be temporarily shut down when the dilapidated building on the worksite is razed. He felt the project is now moving along well and will provide significant benefits.

Smart Meters. Mr. Fitzhugh said the bugs in the system have been addressed and some installed water meters will be tested soon.

Main Street Bridge Replacement Project. Mr. Russo said the power lines in the work are now being relocated. A traffic accident near the site this afternoon did cause some work delay.

Grid Resiliency Grant. Mr. Fitzhugh has checked with state officials and learned that the grant paperwork he submitted has not yet been reviewed. Should the grant funds be awarded to NED, power lines along Water Street and Dole Hill Road will be upgraded.

Utility Pole Realignment Project. Mr. Fitzhugh said we have been answering all the questions the Agency of Natural Resources (ANR) has raised regarding the relocation of this pole, which is near Norwich University and is dangerously close to the Dog River. This project is moving forward but “at a snail’s pace.”

Severe Weather Computer App. Mr. Fitzhugh said this app has been sent to the utility department and other municipal employees. This app will allow for the tracking of severe weather events, such high winds, that might become threats to the power grid and other municipal operations.

Fiber Deployment. Mr. Fitzhugh learned today that VELCO now has NED on its schedule for fiber installment that will allow for future NED grid surveillance.

Northfield Electric Department Upcoming Projects

Norwich University (NU) Cyber Fusion Center. Mr. Fitzhugh said NU is planning to install a 50kw solar panel on this new building. This news is information only as this development probably won't affect NED much one way or another.

Other Business

King Street Substation Reclosers. Mr. Fitzhugh said the reclosers have been tested and maintenance performed to keep them in good condition.

Used Bucket Truck Bid. Mr. Russo said he submitted a \$5,100 bid for a used 2006 bucket truck that the Stowe Electric Department is selling. If the bid is successful, this would be a very used piece of equipment for the smart meter installation process.

Meeting of the Water & Wastewater Commission

Northfield Water & Sewer Department Project Status

Main Street Waterline Installation Project. Mr. Russo said the project contractor (All States Construction) has returned to town and is installing pipe to the new Cheney Field Water Tank along Hill Street, Byam Hill Road, and through private property with a municipal right-of-way. They also plan to have the road north of the Main Street Bridge repaved starting next week. This is a temporary patch before the Vermont Agency of Transportation (VTrans) completely reconstructs the road in 2028.

Cheney Field Water Tank Replacement Project. Mr. Russo said the project contractor (Preload) will be back in a couple of weeks to paint the water tank and start restoring the worksite to its pre-construction condition. The plan is to have all the work completed by July 1, 2026 and he felt the progress has been slow but smooth.

Main Street Bridge Replacement Project. Mr. Russo said a new waterline at Kenyon's Hardware is now being installed as part of the project. In addition, any contaminated soil removed at the worksite will be transported to the municipal sand pit located off Cemetery Street near the Northfield schools. Mr. Donahue hopes that the soil deliveries will not conflict with the schools' morning and afternoon student drop off/pick up times. Mr. Russo added that the Cross Brothers Dam Removal Project, which is in the vicinity of the bridge, will take place later this year.

Northfield Water & Sewer Department Upcoming Projects

New Water Main Installation. Mr. Russo said new pipe will be installed on Pearl Street and School Street in a couple of weeks after the hydrant flushing has been completed. He also hopes to install new pipe along Vine Street and this probably will occur next year. After that, the focus will switch to installing new pipe on South Main Street side streets including Elm Street, Norridge Drive, and Spring Street. Mr. Russo said the retaining wall on Elm Street will need to be addressed at some point. If it ever collapses, it would take out nearby water and sewer lines.

Adjournment. Motion by Mr. Davis, seconded by Mr. Donahue, to adjourn. **Motion passed 5-0-0.**

The Board adjourned at 7:59 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk