

**Joint Meeting of the Northfield Electric
and Water & Wastewater Commissions
Minutes of April 7, 2025**

Roll Call. Utility Commissioners Dennis Donahue, Steve Fitzhugh, Michael Kelley, John Stevens, and Charlie Morse. Also present were Town Manager Jeff Schulz, Utility Superintendent James Russo, Finance Director Laurie Baroffio, Joe Wantuch (Chair, Northfield Energy Committee), Pat Meehan (Northfield Energy Committee), Russ Barrett (Tree Warden), and Gerard LaVarnway.

The meeting started at 6:30 p.m.

Public Participation

Joe Wantuch, Northfield Energy Committee (NEC) Chair: Thermal Energy Networks (TENS). Mr. Wantuch said the NEC members this past year have been exploring the possibility of promoting energy efficiency in Northfield by establishing TENS in densely populated areas of the community. There has already been a TENS presentation to the Select Board members and it was suggested at that time that the Utility Commission members also should be made aware of this NEC vision. Mr. Wantuch believes that many of Northfield's long-term community goals, such as additional affordable housing, energy efficiency, economic development, etc., could be better achieved if TENS are created here. This would also make the community more resilient during adverse weather conditions, reduce the load on the local power grid, and reduce local reliance on fossil fuels. Utility customers would benefit over time from lower heating/cooling bills while making use of clear energy in their homes. The TENS would capture underground heat through wells while also recapturing excess heat generated from homes and businesses. This heat would be transported to homes and businesses through pipes that are connected to heat pumps that would both heat and cool the attached structures. Mr. Wantuch said that the more homes and businesses connected to a TENS system, the more efficient the system would become. He noted that there are several local businesses, such as bakeries, pizzerias, etc., that currently produce extra heat now being wasted but could be repurposed in a TENS system. Mr. Fitzhugh has geothermal experience and believes there are significant startup costs associated with establishing a TENS network. There also is the need for access to the land where the pipes would be buried and wells dug. The maintenance costs are another ongoing concern. Mr. Wantuch said there are a number of funding sources available for public and private TENS systems as they promote energy efficiency. He said that the best time to install the TENS pipeline is in conjunction with a municipal infrastructure project so they can be laid next to new water lines, sewer lines, etc. Mr. Wantuch hopes that when such projects are in the planning stages here in Northfield, there will be consideration of installing a TENS system at the same time. Mr. Kelley asked if there are TENS systems now in operation that can be seen as test models for what could be done here in Northfield. Mr. Wantuch said there is a municipal TENS system in West Union, Iowa, that many TENS advocates cite as a good example of what can be done in a rural community. Mr. Meehan said there is a TENS system located on the Middlebury College campus. He added that college campuses are good locations for TENS systems as they have a good number of buildings located in close proximity and the college controls the land on which the wells and pipes would be installed. Mr. Meehan said that when a private TENS system is first established, it is best to have at least one neighborhood involved to better share the startup costs. Mr. Fitzhugh said the new building on the Norwich University (NU) campus will be having a TENS system installed at the cost of about \$2,000,000. Therefore, it probably would be best to have at least thirty (30) homes and/or businesses involved with a TENS startup in order to better share the initial costs. Mr. Wantuch said the NU campus is another local facility that produces a lot of excess heat so this should be a very efficient system if more structures are connected over time. He added that the NEC members are now looking at the Depot Square area as a good location for a TENS startup given the large number of structures in the area that would benefit from a TENS system. There are rehabilitation plans for the Common that might involve infrastructure upgrades that could create openings for the installation of TENS wells and pipes. This also is a Village core location from which the initial system could be expanded over time. Mr. Fitzhugh said that it is best not to create too large of a single TENS system in order to avoid large-scale outages if one section is out of commission. Mr. Fitzhugh noted that there are current plans to extend municipal sewer lines southward along Vermont Routes 12 and 12A and that might be a good opportunity to establish a TENS system. Mr. Wantuch said that would be a good time to establish a TENS system for the affected households. Mr. Wantuch said that it would be good if the NEC members were kept informed of such upcoming infrastructure upgrades so that they can collaborate with the municipality on project plans, available grant funds, etc. Manager Schulz said he would provide them with a list of upcoming municipal projects. Regarding the suggestion that Depot Square might be an ideal location for a TENS system, Mr. Fitzhugh thought it would be good if the NEC members could provide a conceptual design of such a project that included costs estimates, schematics, eventual utility cost savings, etc. Mr. Fitzhugh said creating a new TENS system is a complicated process with many parameters to be determined beforehand.

Mr. Wantuch felt the input received tonight was very helpful and the NEC members will explore the concept of a Depot Square TENs system. There seemed to be general consensus that the Utility Commission members favored TENs systems in general and supported the Depot Square concept design as a feasibility exercise. Mr. Morse and Mr. Fitzhugh then thanked Mr. Wantuch and Mr. Meehan for tonight's presentation and all the work they and the other NEC members have done to date in promoting TENs systems for Northfield.

Approval of Minutes from Previous Meeting

Motion by Mr. Morse, seconded by Mr. Kelley, to approve the minutes of the February 3, 2025 meeting. **Motion passed 5-0-0.**

Meeting of the Electric Commission

FY 2025/2026 Northfield Electric Department (NED) Budget. Manager Schulz said this budget is still a work in progress and a DRAFT budget will be made ready for discussion at the next meeting (05/05/25). He noted that they only recently received key numbers from the Vermont Public Power Supply Authority (VPPSA) that are needed to draft the proposed budget. Ms. Baroffio said the initial power purchase budget is up by about \$570,000, which is roughly twice as much as last year's increase. However, VPPSA is revising this figure to take some recent local developments into account, such as the new King Street Battery Bank. She added that transmission costs are now projected to increase by twenty percent (20%) and much of this is due to shared costs of infrastructure improvements taking place in other VPPSA member utilities. Manager Schulz said he has spoken to VPPSA about the need for a possible rate hike, which would be the first one here in about fifteen (15) years. A formal request has not been made yet. Ms. Baroffio said a basic rate increase would be processed by the Public Utilities Commission (PUC) much faster than a rate redesign.

Northfield Electric Department Upcoming Projects.

Smart Meters. Mr. Fitzhugh said the Data Collection Units (DCUs) have arrived. There are nine (9) locations around Northfield where they would be installed and a certified local crew will perform the work. The smart meters themselves should arrive within six (6) months. Manager Schulz said there would be public outreach on this project in order to inform NED customers of the changes to come. Mr. Fitzhugh thought that should be done before the smart meters are installed at houses and businesses. Should the smart meters arrive earlier than expected, the first installations could start in mid-July.

NU Cyber Fusion Center. Mr. Fitzhugh said the trench work for installing the new utility lines has already been completed so the new lines should be installed soon. Afterwards, there will be a cutover from the old service lines to the new ones.

Main Street Bridge Replacement. Mr. Russo said the powerlines to the Dollar General will be relocated underground tomorrow from the current poles. The power outage should last for about three (3) hours.

King Street Battery Storage Project. Mr. Fitzhugh noted that the transmission agreement has already been finalized but the energy storage agreement is still being negotiated. Once that is done, the project should be entering its final stages.

Transmission Realignment. Mr. Fitzhugh has to provide some pre-file testimony for the Public Utility Commission (PUC) before the pole relocation can be approved.

NED System-Wide Study. Mr. Fitzhugh said a Massachusetts consulting company was hired to evaluate the system to determine its current condition and whether there are any discrepancies that need to be addressed. They also will provide recommendations whether any upgrades are needed to meet increased demand in the near future. A consultant will be in town in a couple of weeks and Mr. Fitzhugh will show him around.

Nantanna Mill Hydroelectric Facility. Neither Mr. Fitzhugh nor Manager Schulz have anything new to report on this. The owners were planning to perform some test runs this spring to determine the facility's condition.

Vermont Electric Power Company (VELCO) Data Sharing. VELCO is asking Vermont public utilities to share information about their systems for their future planning. This includes power loads, voltages, peak usage, etc. Although Mr. Fitzhugh sees nothing wrong with this, some public utilities have been reluctant to provide this information. In Northfield, VELCO would like information about the Bull Run and Bone Hill private solar farms and would like to install fiber optic cable to them. Motion by Mr. Morse, seconded by Mr. Donahue, to authorize the sharing of NED data with VELCO and permit them to install fiber optic cable and collect the resultant data. **Motion passed 5-0-0.**

Budget Status Reports. Manager Schulz said he is pleasantly surprised by current NED budget numbers. He said revenues were up by five percent (5%) and expenditures are below the budgeted amounts. Ms. Baroffio said the power supply numbers recently provided by VPPSA were incorrect and they were adjusted for the new calendar year even though NED operates on a fiscal year. The corrected numbers should be provided soon.

Meeting of the Water & Wastewater Commission

FY 2025/2026 Water & Sewer Department Budgets. Manager Schulz said the DRAFT budget have been provided to the Utility Commission members. Based on the proposed budget, there would be a combined water-sewer rate increase of 2.65% for average residential customers. There would be no rate increase for customers only on municipal water. Manager Schulz added that water-sewer usage has been increasing the past few months and now getting back to pre-pandemic numbers. Mr. Fitzhugh asked why there would be an increase in the sewer rate but not the water rate. Ms. Baroffio said a major factor is that the Water Department budget has benefitted from two (2) old water project bonds coming off the books this year. This will more than offset the bond anticipation note needed for the upcoming water project.

Water Department Budget. Manager Schulz said Water Department revenues are projected to increase 8.6% in the next fiscal year. The Water Department operations and maintenance (O&M) budget will see a 9.1% increase in the next fiscal year due to increased budgets for legal services, audit fees, the accounting fee, and depreciation expenses. As indicated earlier, bond payments will decrease as two (2) old bonds were paid off during this fiscal year. In the Capital Improvement Plan (CIP) budget, an additional \$16,000 will be spent to purchase water lines in order to address faulty pipes on Vine Street, School Street, and Pearl Street. In addition, all the water supply wells will be tested this year. However, no new capital equipment, i.e. utility vehicles, etc., will be purchased in the next fiscal year. Mr. Donahue said this looked like a good budget especially since there is no need to increase the water rate. Mr. Morse agreed with this. Manager Schulz said the bond for the upcoming water projects will come on the books next year. We are fortunate that the State of Vermont will be covering at least half of the project costs and the remainder will be funded by a forty (40) year no-interest loan.

Sewer Department Budget. Manager Schulz said Sewer Department revenue is projected to increase 7.9% in the next fiscal year. Ms. Baroffio said part of this is attributable to the rate increase. In the Sewer Department O&M budget, personnel expenses will increase by 4.9% in the next fiscal year, which is partly due to lower than expected health insurance cost increases. The Contract Services budget is basically level-funded with a 1.1% increase. The Accounting Fee will rise slightly and (surprising) the cost of sludge management is level-funded at \$75,000 in the next fiscal year. A major increase in this line item had been feared due to increased tensions with Canada, which is where the sludge is transported by Canadian truckers. The Administrative budget will decrease by 3.6% mainly due to lower sewer bond payments. Most line items are level-funded. The Materials & Supply budget will increase by 3.5% in the next fiscal year mainly due to slight increases in the line items for chemical purchases and depreciation expenses. The CIP budget doesn't have any significant increases in the next fiscal year. The sewer that was donated by Morrisville is now in service after some in-house repairs and upgrades were completed.

Mr. Fitzhugh recommended that the Utility Commission members hold off on formally approving these budgets until the next meeting (05/05/25) so they can review them further before then. Motion by Mr. Morse, seconded by Mr. Stevens, to approve the FY 2025-2026 Water and Sewer budgets as presented. Mr. Fitzhugh sees no reason to rush the process. After some discussion, the motion was tabled.

Northfield Water & Sewer Department Upcoming Projects

Main Street Waterline and Reservoir Replacement Project. Manager Schulz said both project contractors are eager to get started within the next month or so. The street excavations for the waterline project probably will start in early May 2025. Mr. Russo noted that the water pipes will be delivered for storage at the wellfield in the next few days. The project will start with groundbreaking just south of the Main Street Bridge and then continue southward towards Norwich University. When that section is completed, the work will shift to the area north of the bridge towards Nantanna Mill. The final project segment will be along Prospect Street towards the new Cheney Farm reservoir. Work signs were supposed to have been put in place last week but this was delayed for a week or two. Manager Schulz will put a notice on Front Porch Forum and on the municipal website tomorrow regarding the current project timeline and what will be involved with the project. Fortunately, the contractor does not anticipate any road closures while the new waterlines are installed. There probably will be times when traffic is reduced to one lane but there will be a sufficient number of flaggers on hand whenever this happens.

Regarding the reservoir replacement project, there will be a pre-construction meeting on Wednesday morning (04/09/25) on Hill Street and the contractor will start planning the right-of-way clearance for connecting the new waterline to the new Cheney Farm reservoir.

Cross Brothers Dam Removal. Manager Schulz said this project will take place this summer and should be completed within a couple of months. Some state permits are still being submitted but the project should begin on or around July 1, 2025. It is hoped that the Dog River water level will be relatively low at that time even though summer deluges have been common in recent years.

Northfield Wastewater Treatment Facility (WWTF) update. Mr. Russo said the WWTF is running well at this time with no major problems to report. Manager Schulz confirmed that all the water and sewer sample results have been good and the facility is meeting all federal and state requirements.

Turkey Hill Maple Farm Lease Extension. Manager Schulz said the five (5) year lease agreement will expire on June 30, 2025 and the business owners have contacted him about a five-year extension. He asked if there were any objections from the Utility Commission members before negotiations begin. He added that any contract negotiation discussion will have to take place in executive session. Mr. Kelley thought this was a good revenue source for the Water Department, which owns the affected property, provided that all the conditions are being followed. He then asked if there had been any public concerns or complaints about the sugar tree tapping. Manager Schulz has not heard of any. Mr. Stevens said Tree Warden Russ Barrett has heard some concerns that underage trees have been tapped. Manager Schulz said local forester Rose Beatty has inspected the site fairly recently. She has seen some minor agreement violations but those have all been corrected and she sees no reason not to extend the lease agreement. Mr. Barrett is attending tonight's meeting remotely and she said that there has been some erosion of the road that leads to the tree tapping location. He hasn't viewed the site since 2021 and he hopes that the road problems have been addressed since then. Mr. Barrett added that if the agreement is renewed, he would like there to be language in it that would make the lessee responsible should there be any future violations of acceptable management practices. He added that some Northfield Conservation Committee (NCC) members have expressed concerns about renewing the agreement as they would prefer that the site be reopened for recreational use. Mr. Barrett thought it would be best if Ms. Beatty inspected the site again to see if there were any recent agreement violations. Manager Schulz will contact her about doing this. Mr. Donahue has no objection to extending the lease agreement if no new violations were found and if the agreement language includes the stipulations that Mr. Barrett has recommended. Manager Schulz will start working on a revised agreement for the Utility Commission members to review.

Budget Status Reports. Manager Schulz said the Water and Sewer Department budgets are doing well with revenues exceeding projects and expenditures below what had been budgeted. Mr. Fitzhugh and Mr. Donahue felt this was good news. In addition, neither Mr. Russo nor Ms. Baroffio saw any red flags in the coming months.

Adjournment. Motion by Mr. Morse, seconded by Mr. Stevens, to adjourn. **Motion passed 5-0-0.**

The Board adjourned at 8:34 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk