

**Joint Meeting of the Northfield Electric
and Water & Wastewater Commissions
Minutes of November 6, 2023**

Roll Call. Commission members: Steve Fitzhugh, Dennis Donahue, Charlie Morse, and John Stevens. Others present: Town Manager Jeff Schulz, Utility Superintendent Jim Russo, Naomi Johnson (Dufresne Group), Margaret Smykal, and Gerard LaVarnway.

The meeting began at 6:32 p.m.

Approval of Minutes from Previous Meeting. Motion by Charles Morse, seconded by Dennis Donahue, to approve the minutes of October 2, 2023. **Motion passed 4-0-0.**

Meeting of the Water & Wastewater Commission

Main Street Waterline and Cheney Farm Tank Replacement Project. Manager Schulz said that Naomi Johnson from the Dufresne Group is here tonight to provide an update on this urgently needed project. He added that the engineering for this project has been ongoing for the past eighteen (18) months and has been mostly completed. Ms. Johnson confirmed that the project has gone to the final design phase. The project engineer has been working with Mr. Russo throughout the process. The project will include the replacement of the Main Street water main as well as the installation of two (2) 250,000 gallon storage tanks on Cheney Farm. The engineering phase is ninety percent (90%) completed with the plans and cost estimates already submitted to the Vermont Agency of Natural Resources (ANR). The state permit to construct has been received. Ms. Johnson said the environmental impact survey has also been completed and submitted for ANR review. She is here tonight to discuss the next steps that need to be taken towards construction, the project funding, and answer any questions. Ms. Johnson then distributed a memorandum that provided a project summary. The total project cost is about \$7,000,000, which includes about \$500,000 in contingency funds. She noted that the initial engineering phase was financed through an inter-free loan from the State of Vermont. Northfield now is on a priority list for funding through the State Revolving Loan fund. However, that position may be lost if certain steps are not taken. The next step is to schedule a bond vote no later than May, 1, 2024. Ms. Johnson would assist with any required public hearings, etc. The project would be funded through a forty (40) year zero interest loan from the state's General Fund and from its Lead Removal Fund. Any project costs related to lead pipe removal would be at least half funded through the Lead Removal program. The General Fund subsidy amount is yet to be determined as there are several factors to be considered. This includes the intention to keep any Northfield water rate increase as low as possible, i.e., no higher than two percent (2%). Mr. Morse asked how the impact on user rates can be determined. Ms. Johnson said there would be a determination based on the number of residential units divided by the total project cost. Mr. Morse asked what the main reason was for replacing the storage tanks on Cheney Farm. Ms. Johnson said their age and condition was the main justification. If they were to fail, there would not be sufficient capacity for the community. This is based on the average daily water usage as well as providing for additional capacity for fire suppression. For Northfield, this is estimated at about one million (1,000,000) gallons. Mr. Morse said this would need to be explained properly to bond voters. A similar bond vote failed in 1998 due to poor communication.

Manager Schulz asked if the lead pipe removal subsidy covers half the expense of replacing the Main Street water main. Ms. Johnson said it is her understanding that these funds would not cover water main installation but only related services. This determination is a fairly new development. Manager Schulz thought this was quite unfortunate. Ms. Johnson said this was based on a recent EPA ruling so this could be changed at a later time. Mr. Morse asked if the new water main would be cast iron. Mr. Russo confirmed that was the case. The current mains are both ten inches (10") and twelve inches (12") in diameter. As indicated earlier, Manager Schulz said the bond vote will need to be warned, probably in conjunction with the next Town Meeting (03/05/24). Ms. Johnson said the project does have two (2) distinct phases and therefore there could be one or two bond vote articles. She also advised that the municipality advertise this project over this coming winter before the vote in order to receive more favorable bid results. Mr. Morse asked if all Northfield residents would vote on the bond or if it would be limited to municipal water customers. Manager Schulz will need to get a legal opinion on this but he assumes that all Northfield voters will take part. He added that there have been hints from ANR that if Vermont communities didn't take the initiative on lead pipe removal, there might be more coercive measures taken in future. Ms. Johnson agreed that there is a nationwide push to replace all lead water pipes as soon as possible.

Mr. Donahue asked what was required to receive the 50% loan forgiveness funding for lead pipe removal. Ms. Johnson said the pipe would need to be replaced up to the curb stop. The municipality would not be fiscally responsible for installing lines on private property. These could be replaced at the same time but that would be the responsibility of the homeowner. Mr. Morse thought it would make more sense to replace all the lead piping at one time no matter who pays for it. Mr. Russo said the Water Department is not allowed to go on to private property without permission. Manager Schulz said the municipality's focus would be on upgrading its own infrastructure. Additional work could be done should the Select Board members authorize it. Mr. Morse thought perhaps this could be written in the project contract. Ms. Johnson said this was possible but the property owner would have to work with the contractor and the plumber of their choice. Mr. Morse would like to have this discussion again when the project contract is written. Mr. Fitzhugh said something similar was done about ten (10) years ago when there was a Common rehabilitation project when existing utility lines were replaced. The private businesses had the option of having new utility lines installed at their own expense. Manager Schulz said there will be project presentation at the Select Board regular meeting on November 28, 2023. At that time, the Select Board members will discuss the possibility of scheduling the bond vote. Mr. Fitzhugh suggested Utility Commissioners could attend this meeting.

Gerard LaVarnway lives on Hill Street, which is near the route for new waterlines to the Cheney Farm reservoirs. He saw an earlier edition of the project plans and his property lines were shown incorrectly and it appeared the new waterlines would bisect his property. He asked if these plans had been corrected. Ms. Johnson will check on this. Mr. LaVarnway said the design plans he saw were only fifty percent (50%) completed so there probably have been a few changes since then. He then asked if the bond vote passed at the March 2024 Town Meeting, would construction start in 2025. Ms. Johnson confirmed this. Mr. Fitzhugh noted that would be a busy year for Northfield construction-wise as the Main Street Bridge replacement is also scheduled then. Mr. Morse asked if the Select Board should schedule another bond vote date before May 1, 2024 in case the March 2024 vote is unsuccessful. Ms. Johnson said that wasn't necessary as only the first bond vote had to be held before May 1, 2024. There is no deadline for revotes. Mr. Morse remains concerned that Northfield voters who are not municipal water customers might vote against this "general obligation" bond. Manager Schulz said it must be made clear that only water customers would be responsible for paying off the bond through user charges. Mr. Morse felt it was needed to contact Norwich University (NU) and other major water customers to let them plan for potential water rate increases. Mr. Fitzhugh noted the rate increase probably would be less than two percent (2%). Manager Schulz said a large previous water bond will be paid off in 2025 and that should have a positive impact on water rates. Manager Schulz and the commission members then thanked Ms. Johnson for tonight's presentation. She asked them to let her know if they have any questions before the 11/28/23 Select Board meeting.

Budget Status Reports.

Manager Schulz had provided Water and Sewer Department financial statements for the current fiscal year through October 31, 2023, which is about one-third of FY 2023-2024. He stated that Water Department revenues are close to the projections. The expenditures are a little over but this should even out in coming months. He noted some old bond payments have been made recently. Despite expected increases in the cost of chemicals and other materials, Mr. Russo has done a good job keeping expenses under control. Mr. Fitzhugh asked about maintenance services on the municipal wells. Mr. Russo said that work is contacted out and done on an annual basis. He did note that Well #1, which is the oldest, is starting to show its age and this will need to be addressed soon. Due to its declining output, it will need to be replaced at some time. As for the Sewer Department budget, Manager Schulz said all is well with revenues at about what should be expected and expenditures right on schedule. Mr. Fitzhugh asked if we are still able to dispose of sewer sludge properly. Mr. Russo confirmed that was the case. A shipment will be going out this Thursday (11/16/23). A new contract for this disposal will need to be negotiated soon. As the sludge is sent on to Canada, a lot of additional paperwork is required.

Other Business.

Manager Schulz said the controls for the heating system at the wastewater treatment facility (WWTF) need to be replaced. Those controls are about twelve (12) years old and must be replaced rather than repaired. There are funds in the Sewer Department budget for this. The new system will be internet based. Mr. Fitzhugh asked what was being controlled. Mr. Russo said the large boiler that heats all three (3) buildings.

Manager Schulz said the WWTF evaluation will start in December 2023. The report should take about five (5) months to complete. The results will be sent to ANR afterwards. Mr. Russo isn't sure what upgrades will be requested but hopes they will not be major. Mr. Fitzhugh thought it might be useful to look at anti-flooding measures. The Johnson VT WWTF was taken out in the July 2023 floods and that has created a lot of problems for the community.

Mr. Morse would like to use ARPA funds to stockpile new waterlines that could be used to upgrade the water system in the Freight Yard Way area. Mr. Russo thought the minimum dimensions of the new pipes should be determined by an engineer. It is likely that 8" pipes would be sufficient unless major economic development is foreseen for this area.

Meeting of the Electric Commission

King Street Battery Storage Project. Mr. Fitzhugh said Manager Schulz had distributed the Vermont Public Utility Commission (PUC) "Petition for Certificates of Public Good" and "Proposed Findings of Fact and Conclusions of Law and Order" to the commission members. The proposed project would install a 3 megawatt battery storage facility that would be developed by Delorean Power LLC. Mr. Fitzhugh found one error in the documentation: the required interconnection agreement needs to be with the Northfield Electric Department (NED), not Green Mountain Power (GMP). He added that Delorean was selected by the Vermont Public Power Supply Authority (VPPSA) to develop this and other similar battery storage facilities throughout the state. Mr. Fitzhugh noted that peak electric power usage used to be in the middle of the day but this has changed with the increased use of solar power energy sources, as that power is generated in the daytime. The reason behind these battery storage facilities is to even out power demand throughout the day. Mr. Fitzhugh is unsure whether Delorean power currently has the resources to build the Northfield facility or is just seeking permission at this time as a way to generate funding. He added that the recent surge in solar energy power sources is creating an imbalance in power source portfolios and battery storage facilities are seen as a way to rectify this. Margaret Smykal is an adjoining King Street property owner and she is concerned about this facility being located in a residential neighborhood. She has been in contact with Laura Coriell from Delorean Power about the possibility of creating a better buffer between the new facility and her property. Mr. Fitzhugh said it was his understanding that the current dilapidated building, which used to be a veterinary office, would be demolished as part of the project. Ms. Smykal will be meeting with Ms. Coriell this Friday (11/17/23) about Delorean Power's current plans. She would prefer that the project not proceed at all but this doesn't seem a feasible option at this time. Mr. Fitzhugh said no one knows what will happen with this proposal. Mr. Morse has stated before his concerns that the Northfield Fire Department (NFD) doesn't have the capability to extinguish a fire at a lithium battery storage facility due to the extremely high temperatures produced and the fact that putting water on the fire would only spread the flames. If there was a fire, the NFD would have to focus on keeping it from spreading to other structures while waiting for it to burn itself out. Mr. Morse believes this potential danger outweighs any possible benefits. He also feels this area is a wetlands even though the documentation denies this. In any case, he will oppose this proposal until a feasible fire suppression plan has been developed. Mr. Fitzhugh said taking stock of such objections is one reason for this public process. He noted that a number of these battery storage facilities have been located in the middle of cities without any problems. Mr. Fitzhugh feels that our current overreliance on solar energy sources is a good reason to consider this project. Manager Schulz noted that the Planning Commission and Select Board are parties to the approval process but is unsure whether the Utility Commissions have a direct role. The Select Board members will discuss this matter at their next regular meeting (11/14/23) and then will decide whether to express their support for or opposition to this proposal (or to remain neutral). Mr. Morse said another possible local site would be at the NU substation. Mr. Fitzhugh didn't think that was a feasible option as the NU substation doesn't have the appropriate infrastructure for a battery storage facility. He also has read the provided documentation about these facilities and it is stated that all precautions are taken to prevent on-site fires, i.e., system shutdowns, cooling systems, etc. Mr. Fitzhugh said the PUC will make the final decision so anyone with concerns should contact them directly. Mr. Morse will ask the other Select Board members if they want to become an active party of this process. Manager Schulz said there was no downside to becoming a party in order to express opinions on this proposal. Mr. Fitzhugh noted the municipality once tried to site a solar farm on Cheney Farm but this didn't proceed due to local opposition. If that happens with this proposal, we may need to find another solution to increase NED's energy source portfolio.

Budget Status Report.

Manager Schulz distributed Electric Department financial statements for the first four (4) months of the current fiscal year. He said revenue projections are on target and sales of power to the NU campus is slightly up. Expenditures are only at twenty percent (20%) of the projections. Mr. Fitzhugh noted that power purchase invoices usually lag behind by about a month so we should catch up soon. Other than that, Manager Schulz said the figures look good. Mr. Fitzhugh said we have a problematical contract with one of our power suppliers (Mystic) but that contract will expire next June.

Other Business.

Manager Schulz said PUC now has \$5,000,000 in federal funds for the purchase and installation of smart meters throughout the state. The amount NED gets should cover about forty percent (40%) of these costs. Once all the paperwork has been finalized, we can start ordering the meters. The installation company will have special vehicles that can check local frequencies going around town in the next few months. Manager Schulz will make sure that public notifications will be made before these vehicles make their rounds. Mr. Fitzhugh said some test installations will be made first to make sure the system actually works. If all is well, smart meter installation should be completed before the end of next year. He added that about six (6) to eight (8) data collectors will be located around town.

Regarding transmission alignment, Mr. Fitzhugh said he will get an updated report in the next month or so. Then we can make a recommendation on relocating utility poles from floodplains.

Mr. Fitzhugh is looking into the possibility of installing Teco wind turbines in Northfield. Having local wind power could help diversify our power source portfolio and he has contacted VPPSA about optimal sites in Northfield. If feasible, Darn Tough might be interested in the possibility of hosting wind turbines. Mr. Morse noted that there is a lot of wind in this valley. Mr. Fitzhugh will keep the other commission members posted on this.

Adjournment.

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

The Board adjourned at 8:20 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk