

**Joint Meeting of the Northfield Electric  
and Water & Wastewater Commissions  
Minutes of May 5, 2025**

**Roll Call.** Utility Commissioners Dennis Donahue, Steve Fitzhugh, Michael Kelley, John Stevens (absent), and Charlie Morse. Also present were Town Manager Jeff Schulz, Utility Superintendent James Russo, and Gerard LaVarnway. The meeting started at 6:36 p.m.

**Approval of Minutes from Previous Meeting**

Motion by Mr. Morse, seconded by Mr. Donahue, to approve the minutes of the April 7, 2025 meeting. **Motion passed 4-0-0.**

**Meeting of the Electric Commission**

**FY 2025/2026 Northfield Electric Department (NED) Budget.** Manager Schulz said Finance Director Laurie Baroffio has been working with Vermont Public Power Supply Authority (VPPSA) to reconcile their calendar-year budget numbers with ours, which are based on a fiscal year starting on July 1. Manager Schulz said the budget numbers are a bit discouraging and as currently projected would lead to a shortfall at the end of the fiscal year. The options to avoid this include using prior year surplus funds and/or seeking a rate increase from the Public Utilities Commission (PUC). Mr. Fitzhugh felt there weren't that much left in surplus funds and what there is has already been committed to certain projects. He said a ten to fifteen percent (10-15%) electric rate increase is now anticipated; there hasn't been an NED rate increase for twelve (12) years. The main reasons for the current budget shortfall are the State Legislature's requirements for public utilities to increase the amount of renewable energy sources in their power purchase portfolios. In addition, power transmission costs have been skyrocketing. Mr. Morse asked how long would it take the PUC to approve an NED rate increase request. Mr. Fitzhugh said it used to take between three (3) and six (6) months but now it could take nine (9) months or longer. Thanks to Ms. Baroffio, VPPSA now has the NED information it needs to file for this rate increase. Manager Schulz said NED does have the authority to raise its rates after the application is filed but before PUC makes its decision. Mr. Fitzhugh said the downside to that is should the PUC approve a lower rate than anticipated, NED would have to reimburse customers who had been charged the higher rate. This would be an expensive and time-consuming undertaking since you might be dealing with Norwich University (NU) students who have moved away in the interim, etc. Due to this concern, Mr. Fitzhugh said most public utilities hold off on charging higher rates prior to PUC approval. He added that NED is in better financial condition than many VPPSA member utilities with enough cash on hand to pay its normal expenses. If we do need to bond for future infrastructure projects, VPPSA would be willing to assist with the process. Mr. Fitzhugh recommends leaving the NED budget as it is with the exception of some possible readjustments in the Capital Improvement Plan (CIP) budget. For example, the Smart Meters CIP budget has a \$512,001 balance. The total project cost is \$885,000 but the State of Vermont will reimburse NED about \$422,000, which would leave about a \$50,000 surplus project funds. There also might be some savings in the Rebuilt Circuits and NU Substation CIP budgets that could be reallocated for other purposes if needed. Mr. Fitzhugh then noted that the NU substation only uses about twenty-five percent (25%) of its capacity and this could help in the long-term should the demand on the local power grid increase in coming years due to greater use of electric vehicles, electric heating pumps, etc. He then said there might be additional savings in the NED Special/New Project CIP budgets, including the Terry Hill upgrade account, that also could be reallocated elsewhere if needed. Manager Schulz said by his estimate, there is about \$450,000 in NED CIP funds that could be used for other purposes if necessary. For now, these funds would be left in the NED budget as is. Mr. Fitzhugh felt the NED budget as proposed is as good as it is going to be under current conditions. Motion by Mr. Fitzhugh, seconded by Mr. Morse, to approve the FY 2025-2026 Northfield Electric Department Budget as presented. **Motion passed 4-0-0.**

**Northfield Electric Department Upcoming Projects.**

**Smart Meters.** Mr. Russo said six (6) of the nine (9) Data Collection Units have now been installed. The remaining ones will be installed soon and will be fully tested afterwards.

**NU Cyber Fusion Center.** Mr. Fitzhugh said Green Mountain Power (GMP) did a good job of installing the power connections for the new building. Once the building has been constructed, the transformer will need to be installed.

**Main Street Bridge Replacement.** Mr. Fitzhugh said the power lines by the Dollar General have now been buried underground. The upcoming conduit work near the bridge has been put on hold until the new water main installation there has been completed. In addition, a new utility pole will be installed behind Domino's Pizza that will be further from the street than the current one. Mr. Fitzhugh said it could become a long-term NED project to bury all the utility lines in the area.

**King Street Battery Storage Project.** Mr. Fitzhugh said the Energy Services Agreement between GMP and Lightshift (formerly Delorean Power) should be finalized and signed soon. Manager Schulz believes the batteries themselves should be in place by early December 2025 before winter weather sets in.

**Transmission Realignment.** Mr. Fitzhugh said we are still waiting to receive GMP's project redesign documents. However, an environmental study of the affected area will be performed next week.

**NED System-Wide Study.** Mr. Fitzhugh said the consultant performing the study was in town a couple of weeks ago to review the physical conditions of the local power system. The consultant noted during the visit that the reclosers at the King Street Substation and the NU Substation will require additional ground clearance.

**Nantanna Mill Hydroelectric Facility.** Mr. Fitzhugh has heard nothing new about any progress on this project. Manager Schulz doesn't believe any preparation work has been done at the facility and noted that the property owner (Charbone Hydrogen) still owes a significant amount of delinquent taxes.

**Other Business.** Mr. Fitzhugh said a Dole Hill Road resident has asked that an NED easement near his property be abandoned. Manager Schulz said the Town Attorney has been looking into this matter. Mr. Russo then noted that the old utility poles on Vine Street have been removed in anticipation of the upcoming sidewalk work there. New utility poles were installed at other locations. Mr. Fitzhugh then commended GMP for their quick responsiveness whenever we need them to come to Northfield.

**Budget Status Reports.** Manager Schulz said the basic numbers show that NED revenue is about seven percent (7%) above projections and expenditures are about eight percent (8%) below what was budgeted. We are in good shape now but there probably are some large invoices that will be submitted soon. Mr. Fitzhugh said the financial condition of NED has been in good shape for several years but higher transmission costs have had an adverse effect. In addition, new state requirements regarding the purchase of more expensive renewable energy has resulted in higher power purchase costs.

#### **Meeting of the Water & Wastewater Commission**

**FY 2025/2026 Water & Sewer Department Budgets.** Mr. Donahue said these budgets were presented at the last meeting; there were no objections or revisions requested at that time or since then. Motion by Mr. Morse, seconded by Mr. Kelley, to approve the FY 2025-2026 Water Department and Sewer Department budgets as presented. **Motion passed 4-0-0.**

#### **Northfield Water & Sewer Department Upcoming Projects**

**Main Street Waterline and Reservoir Replacement Project.** Manager Schulz said the Waterline Replacement Project contractor (J. Hutchins, Inc.) has been cutting pavement on South Main Street this past week and is now putting in cross sections with temporary water connections. Some homes will have their water turned off briefly over the next couple of weeks to make crossover switches. This project is pretty much on schedule. The Reservoir Replacement project will start on May 12, 2025 with the contractor (Preload) making some improvements to the Cheney Farm access road. Fortunately, this reservoir replacement project should not impact the bulk of Cheney Farm, which is a popular hiking location. The whole project should take about four (4) months to complete and area residents have been warned by letter about the increased truck traffic in the coming weeks. Mr. Russo would like the access road improvements, such as the entrance widening, kept in place after the project's completion so that the Utility Department employees will have better access to the site in future.

**Main Street Bridge Replacement.** Manager Schulz said one additional easement is needed from one of the adjacent property owners (Wesco Oil Company, dba Cumberland Farms) in order to realign the waterlines. It now seems Wesco wants more compensation from the Vermont Agency of Transportation (VTrans) than it is willing to provide. If there is no resolution soon, the municipality might need to hold a condemnation hearing to take possession of the area needed for the utility work. Mr. Fitzhugh noted that these disputes are often resolved after the hearing has been scheduled but before it is held.

**Vermont Routes 12 & 12A Sewer Extension.** Manager Schulz said the engineering plans for this project are nearly complete. The State of Vermont will cover half the cost of the engineering study. The preliminary cost estimate for total project costs is between \$8,500,000 and \$9,000,000. It was noted that this is about twice as much as about twenty (20) years ago when the project was last engineered but later abandoned as too expensive.

**Turkey Hill Maple Farm Lease Extension.** Manager Schulz said local forester Rose Beatty has inspected the site and provided a written report. She did see a few minor violations of the current lease agreement, such as the tapping of smaller trees, but nothing major. Ms. Beatty recommends the agreement language should be strengthened to prevent any recurrences. Mr. Donahue said if the lease is extended, it should include language that allows for periodic inspections of the site for possible violations. If violations are found, Turkey Hill Maple Farm then would be responsible for the additional cost. Manager Schulz noted the affected property is owned by the Water Department and the current lease agreement brings in about \$10,000 in annual revenue. He then was given authorization from the Utility Commission members to further negotiate the lease extension agreement with Turkey Hill Maple Farm. A finalized lease agreement will be made ready for Utility Commission approval. Mr. Morse suggested that the amount charged per tap in the lease agreement should be adjusted for inflation.

**Budget Status Reports.** Manager Schulz said the Water and Sewer Department budget are still going well with revenue above projections and expenditures remaining below the budgeted amounts. He added that Mr. Russo is doing a good job in keeping the cost of sludge management under control. In addition, the cost of chemicals seems to have stabilized in recent months.

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

The Board adjourned at 8:12 p.m.

Respectfully submitted,

*Kenneth L. McCann*

Kenneth L. McCann, Acting Clerk