

Joint Meeting of the Northfield Electric and Water & Wastewater Commissions Minutes of April 13, 2026

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

The meeting started at 6:30 p.m.

Approval of Minutes from Previous Meeting. Motion by Mr. Kelley, seconded by Mr. Donahue, to approve the minutes. **Motion passed 4-0-0.**

Meeting of the Electric Commission

FY 2026/2027 Electric Department Budget. Mr. Fitzhugh said the budget is not yet available as Ms. Baroffio is still waiting for information from Vermont Public Power Supply Authority (VPPSA). The budget should be ready for full discussion and possible approval at the next meeting (05/04/26).

Northfield Electric Department (NED) Project Status

King Street Battery Storage Project. Mr. Fitzhugh said Lightshift has begun demolishing the dilapidated building on the worksite, which is part of the project. The power to the worksite had to be shut down beforehand, which caused a brief systemwide power outage.

Smart Meters. Mr. Fitzhugh said the municipality is working with the meter vendor to make sure customer data is being collected properly. Mr. Russo said we are now waiting for authorization to install additional smart meters.

Main Street Bridge Replacement Project. Mr. Fitzhugh said some of the power services still need to be cut over from the overhead lines to the new underground ones.

Grid Resiliency Grant. Mr. Fitzhugh said all the paperwork has been filed with the State of Vermont so we now need to wait to see if the grant application has been successful.

Utility Pole Realignment Project. The Vermont Agency of Natural Resources (ANR) had asked several questions about the worksite, etc. during the project review period. Our project consultants have been responding to resolve any questions that were still unanswered.

Severe Weather Computer App. Mr. Fitzhugh said VELCO has provided its member towns with a new computer app that can be used by utility companies and highway departments to keep informed of severe weather events and keep their residents fully informed.

Fiber Deployment. Mr. Fitzhugh has informed VELCO that the Utility Commissions provided their formal approval last year (04/07/25) to authorize that fiber lines can be installed in Northfield for improved local utility data collection. This will allow better tracking of power loads, peak usage, etc. Lines also will be put through to local solar farms to measure their power production.

NED Evaluation. Mr. Fitzhugh said that representatives from the Department of Public Service will be holding interviews with Vermont utilities in order to review their financial situations, etc. They will be interviewing Mr. Fitzhugh and Utility Office Manager Doug Reed this coming Wednesday (04/15/26) to learn how NED conducts its business. VPPSA has been part of the process in order to assist its member utilities in the process and Mr. Fitzhugh feels we have nothing to worry about.

Transmission Costs Update. Mr. Fitzhugh said power transmission companies have had a healthy rate of return in recent years, which is why NED and other public utilities have purchased stock in VELCO, etc. to generate revenue. Federal Energy Regulatory Commission (FERC) recently lowered the rate of return, which will result in higher transmissions costs and loss of revenue for public utility companies. Mr. Kelley noted that higher transmission costs have resulted in significantly higher power costs for Northern New York customers.

Northfield Electric Department Upcoming Projects

Cable Television upgrades. Mr. Russo met recently with George Goodrich from Trans-Video and a Comcast representative regarding upgrades to the local cable television infrastructure in preparation for Comcast taking over the business. This will include the installation of larger battery backups at a few locations.

NED System-wide Evaluation. Mr. Fitzhugh said the report has been completed and will be forwarded to the Utility Commissioners in the near future. It will include a list of recommended upgrades, associated cost estimates, etc.

Meeting of the Water & Wastewater Commission

FY 2026/2027 Water & Sewer Department Budgets. Mr. Kelley asked how these budgets were drafted. Ms. Baroffio said she worked with Mr. Russo to put the draft budgets together. The proposed budgets as now written would result in a 10.34% rate increase for the average Water Department residential customer and an 8.43% increase for the average Sewer Department residential customer. Ms. Baroffio said there are some options available should the Utility Commissioners wish to lower these rates down to the 5% threshold. To accomplish this for the water rates would require an additional \$58,500 in additional revenue or expenditure reductions. For the sewer rate increase to be set at or below 5%, at least \$39,000 in additional revenue or expenditure reductions would be needed.

Ms. Baroffio then went through the Water Department operations and maintenance (O&M) budget, which will increase 5.4% in the next fiscal year. The chemicals budget will increase from \$45,000 to \$47,000 and the equipment maintenance budget will increase from \$5,000 to \$10,000. The latter is due to the need to replace some older water pumps. The equipment/tool purchase budget will increase from \$2,500 to \$4,000 as Mr. Russo has reported that some older tools need to be replaced in the next year. Ms. Baroffio said the debt payments will increase from \$238,950 to \$337,050 in the next fiscal year since the first payments will need to be made for the Main Street Water Main Replacement and Cheney Field Water Tank Replacement projects. The Water Department Capital Improvement Plan (CIP) budget will see an overall increase from \$100,420 to \$117,720 in the next fiscal year. Regarding the CIP budget, Mr. Russo said there is the opportunity to purchase a used excavator with a jack hammer that could be used on the Vine Street Extension project. The proposal would include trading in the current backhoe to help fund the purchase. There also is a proposal to trade in the 2018 Silverado pickup truck so that a replacement vehicle can be purchased. Ms. Baroffio estimated the net cost at \$65,000 and this amount would be split evenly between the Electric Department and the Water Department. This purchase was originally scheduled for last year and the CIP funds are already set aside.

Ms. Baroffio said Mr. Russo had first asked for \$60,000 for the Main & Streets CIP budget but that has been reduced to \$30,000 in the current draft budget. As earlier stated, the budget as now written would result in a 10.34% water rate increase and lowering this increase to 5% would require \$58,500 in budget cuts or additional revenue. She said it was possible to use prior year surplus funds to bridge this gap. Ms. Baroffio does like to keep two (2) months of operating expenses on hand as a “rainy day” fund and that would still be possible if surplus funds were used in the next fiscal year. In addition, it is possible that the initial bond payments for the water main and water tank projects will not have to be made in the next fiscal year depending on when this projects are actually completed.

Ms. Baroffio then provided a brief overview on how the water rates are developed. She added that since the Water Department now is expecting a good amount of reimbursement funds from the State of Vermont for prepaid project expenses, this would be a good year to make use of prior year surplus funds to bring down the water rate increase to a more acceptable level.

Ms. Baroffio then turned to the Sewer Department O&M budget, which will see a 2.2% overall increase in the next fiscal year. She noted that as in the Water Department budget, Personnel Expenses are pretty much determined by union contracts and the increasing cost of health care coverage. In the Contract Services budget, sludge management costs have increased significantly in recent years as the sludge now has to be transported to Canada. The testing/sampling budget also has increased since, as Mr. Russo reported, government regulations required that water and/or sewer samples be collected and tested each week. Mr. Fitzhugh is concerned that sludge management costs might see a steeper increase due to higher transportation costs, etc. On the revenue side, Mr. Russo noted that the municipality's major sewer customer (Norwich University) is only open eight (8) months out of the year. He added that the twenty-year evaluation of the wastewater treatment facility (WWTF) will be presented to the Select Board members tomorrow night (04/14/26). The presentation will highlight the priority list of facility upgrades needed in future years. Ms. Baroffio then turned to the Sewer Department CIP budget, which includes replacement schedules with budgeted funds for various departmental vehicles and equipment. Mr. Fitzhugh noted that a number of these expenses are split with the Water Department. Ms. Baroffio is concerned that some of the estimated replacement costs, such as for the WWTF generator, are not accurate at this time due to higher manufacturing costs. Mr. Fitzhugh asked if it might be preferable to bond for certain expensive capital equipment purchases rather than setting aside funds each year until the purchase date. Ms. Baroffio said that in some cases that might be the proper way to finance the purchase. She noted that some of the CIP budgets already have healthy balances for scheduled purchases. Mr. Fitzhugh suggested putting the \$10,000 set aside in the generator replacement CIP budget and the \$10,000 set aside for Equipment Rebuilding both on hold this coming year, which would reduce the Sewer CIP budget by \$20,000. Ms. Baroffio suggested doing the same for the \$10,000 set aside in the Sludge Equipment/Storage CIP account. Another \$5,000 is budgeted for Vermont Route 12/12A Sewer Extension and Mr. Russo is unsure when this project will begin. Mr. Fitzhugh said this would be a major project and the municipality probably would need to bond to cover all the expenses. Ms. Baroffio believes the project is still in the preliminary planning stages and state grant funds paid for much of the initial engineering. Mr. Kelley suggested removing this \$5,000 from the next fiscal year budget due to the uncertainty about the project timing. There already is a \$26,936 balance in this CIP account. Ms. Baroffio noted that since these are enterprise funds, they can be reallocated from one CIP account to another without voter authorization.

After some discussion, the consensus was to lower the Equipment Rebuild CIP budget from \$10,000 to \$5,000; lower the Sludge Equipment/Storage CIP budget from \$10,000 to \$0; lower the VT Route 12/12A Sewer Extension CIP budget from \$5,000 to \$0; lower the System Improvements CIP budget from \$10,000 to \$0; and the Generator CIP budget from \$10,000 to \$0. This will result in \$40,000 in Sewer budget savings for the next fiscal year. Ms. Baroffio then suggested lowering the Stormwater CIP budget from \$10,000 to \$0 and returning \$5,000 to the System Improvements CIP budget. This would lower the Sewer budget by \$45,000; there was no objection to this proposal. Mr. Russo said the Sewer Department now has two (2) jettors but only needs one. He would like to sell one of them and use the proceeds elsewhere in the CIP budget. The resale amount is uncertain but there already is \$9,000 in the CIP account for this vehicle's replacement and those funds could be reallocated to other CIP accounts.

In the Water Department budget, Ms. Baroffio recommends using \$58,500 in prior year surplus funds so that the water rate increase can be lowered to 5%. The cost reductions indicated above for the Sewer Department would result in a sewer rate increase between 4% and 5% (Ms. Baroffio will determine the exact amount). Motion by Mr. Fitzhugh, seconded by Mr. Kelley, to approve the Water and Sewer Department budgets as presented by management with the amendments listed above in order to set the combined water/sewer rate increase at approximately 5%. **Motion passed 4-0-0.** Based on the approved budgets, Ms. Baroffio will set the water and sewer rates for the next fiscal year that will have to be approved by the Select Board members at one of their upcoming regular meetings.

Northfield Water & Sewer Department Project Status

Main Street Waterline Installation and Cheney Field Water Tank Replacement Projects.

Mr. Russo said the contractors for these projects will be returning to Northfield within the next couple of weeks in order to complete them prior to July 1, 2026.

Water Storage Protection Survey. Mr. Russo will be getting cost estimates for an alarm system for the new Cheney Field Water Tank. It will be solar powered as there is no power to the field.

Town Forest Improved Access. Mr. Russo and Mr. Fitzhugh will be meeting later this week with Bill Dell'Isola from the Town Forest Stewardship Committee about setting up a couple of special events on Cheney Field this summer that would provide improved handicapped access to Cheney Field and connecting Town Forest trails. These special events are now considered the preferred alternative to establishing permanent parking spaces on the field.

Northfield Water & Sewer Department Upcoming Projects

New Water Main Installation. Mr. Russo is planning to install new water mains on Pearl Street and School Street this summer. These streets also are on the Highway Department's summer paving list and that work will be done after the mains are installed. There have been recurrent complaints in the past that there doesn't seem to be any proper coordination between departments with such infrastructure projects so this work schedule will address that concern.

Other Business

North Main Street Paving. Mr. Kelley asked if the area north of the Main Street Bridge would be repaved after all the water main installation work there has been completed. Mr. Russo said the Vermont Agency of Transportation (VTrans) is scheduled to fully reconstruct and repave Vermont Route 12 in 2028 from Cumberland Farms down towards the old Village boundary just south of the Vermont Routes 12 and 12A intersection. Therefore, any paving work on the road before then will only be temporary patching jobs.

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

The Board adjourned at 8:40 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk