

**Joint Meeting of the Northfield Electric  
and Water & Wastewater Commissions  
Minutes of February 5, 2024**

**Roll Call:** Steve Fitzhugh, Dennis Donahue, John Stevens (6:35 p.m.), Charlie Morse. Others present: Town Manager Jeff Schulz, Utility Superintendent Jim Russo, and Gerard LaVarnway.

The meeting started at 6:30 p.m.

**Approval of Minutes from Previous Meeting**

Motion by Mr. Morse, second by Mr. Fitzhugh, to approve the minutes of the November 6, 2023, meeting.

**Motion passed 3-0-0.**

**Meeting of the Water & Wastewater Commission**

**Main Street Waterline and Reservoir Replacement Project.** Manager Schulz said that the engineer for this project (Naomi Johnson) spoke to both the Utility Commissioners and the Select Board members at separate meetings last November regarding the need for this project and the requirement to hold a bond vote no later than May 1, 2024. If this deadline was missed, this project would no longer be on the Vermont Agency of Natural Resources (ANR) priority list for state funding. The Select Board members scheduled that this bond vote be held on Town Meeting Day (03/05/24) with an article on the Town Meeting Warning. The article seeks voter authorization to borrow up to \$7,230,000 for this project. Manager Schulz said we now need to put forward a press release that would inform voters about the necessity for this project, the effect on user rates, etc. Although all Northfield residents will vote on this article, only Northfield water customers will be held responsible for repaying the bond monies. Mr. Morse has drafted one on behalf of the Utility Commissioners, to which Manager Schulz has made some amendments. He now asked if the other commissioners had any additional suggestions regarding the wording. Mr. Fitzhugh had a few suggestions, i.e. the actual amount of water now being wasted due to leaky pipes, the number of current public water customers, etc.

*Mr. Stevens arrived at this time.*

Manager Schulz felt there also needed to be some information regarding the additional cost to Northfield water customers. He said the exact amount is difficult to determine as there is no certainty about how much ANR will actually contribute to this project. In addition, there are some older water bonds that will be paid off in the near future so it is possible the impact on water rates will be minimal. Manager Schulz noted that a note that required a \$186,000 annual payment came off the books recently. Mr. Morse said voters should be provided with an estimate of the possible monthly cost increase based on the information now available. Mr. Fitzhugh said it should be possible to imagine the best- and worst-case scenarios and create a reasonable estimate based on averaging them out. Mr. Morse said we should be able to provide some numbers to Norwich University (NU) as they need to budget their future utility expenses well in advance. Manager Schulz said ANR will provide a project subsidy but we just don't know the amount at this time. The project is eligible for a fifty percent (50%) subsidy but it is unsure whether this amount of state funds will be available when needed.

Manager Schulz will work on the wording of the press release and will send out a finalized version for the commissioners' approval before the end of the week. Mr. Morse suggested that copies be included when the utility bills are sent out next week. Residents who are not utility customers also will have to be contacted as they will be voting on the bond article (but not responsible for repayment). Mr. Fitzhugh thanked Mr. Morse in taking the initiative in drafting the press release.

### **Budget Status Reports.**

Manager Schulz said municipal water usage is down slightly ( $\pm 2\%$ ) but revenues are close to where they should be. NU usage is down a bit as well. The expenditures are where they should be as well as Manager Schulz and Mr. Russo have been working together to keep costs under control. Manager Schulz said the Sewer Department budget is about the same with usage down slightly but revenues about where they should be. Mr. Stevens said that is what usually happens when many Northfield residents head south for the winter. Manager Schulz said that overall, both the Water and Sewer department budgets are in good shape.

### **Other Business.**

As was discussed at the previous utility commission joint meeting, Manager Schulz said quotes were solicited to fix the heating controls for the boiler at the wastewater treatment facility that heats the three (3) separate buildings there. Two (2) quotes were received and the \$20,000 one was accepted and the work has been completed. Manager Schulz noted that there were sufficient funds in the current fiscal year budget to cover this expense. Mr. Russo noted that during the repair work, a leak was found in the heating system. He will seek quotes to install new piping, which should add an additional \$20,000 to the repair work, which probably will be postponed until we get warmer weather as the heating system would be temporarily shut down. Mr. Russo said there is the option to install a new boiler that one serve only the building it would be located in. Mr. Morse asked if the upcoming upgrades to the wastewater treatment facility would impact this decision. Mr. Russo said those upgrades would have no impact on the heating system.

Manager Schulz said the Water and Sewer department employees are now working on the inventory of municipal lead pipe. ANR is paying for this project so the time our employees spent on this will be reimbursed.

Manager Schulz said the twenty (20) year reevaluation of the wastewater treatment facility is now underway. The entire project will cost about \$45,000 and ANR will cover half the cost.

At a previous meeting, Manager Schulz discussed the possibility of hiring a fourth utility employee, which would return staffing to what has been in recent years. Mr. Russo believes this would be a good idea given the number of major projects coming up in the next few months. Manager Schulz agrees with this assessment so the position will be advertised soon. This expenses for this position have been budgeted.

Manager Schulz said that when the Select Board members drafted the FY 2024/2025 municipal budget that will be presented to Northfield voters on Town Meeting Day, there was a decision to increase the PILOT amount that the utility departments pay. The Select Board members felt this amount should be increased to reflect the rate of inflation so it will go up by three percent (3%) in the next fiscal year. Mr. Morse said this action was one of a number of actions taken to help reduce the estimated increase in the local property tax rate. The Select Board members had noted that the PILOT amount hadn't been increased in a decade and it was felt a small adjustment was long overdue. Mr. Fitzhugh said the old PILOT amount had been determined at the time of municipal merger ten (10) years ago. The amount was based on the amounts that the Northfield Village utility departments had been providing in property taxes to the Northfield Town prior to merger. Mr. Fitzhugh noted that such payments are not unusual as the Northfield utility departments now make property tax payments to Berlin VT, etc. as some of their infrastructure is located outside of Northfield.

Mr. Morse felt we should soon order eight inch (8") pipes for the Freight Yard Way water supply upgrade project. American Rescue Plan Act (ARPA) funds will be used for this purpose and there are deadlines for delegating and expending these funds on local projects. Mr. Russo will start getting quotes for these purchases. He also will be looking into the possible purchase of new machinery that would make this and similar water line installation projects much easier.

## Meeting of the Electric Commission

### King Street Battery Storage Project.

Mr. Fitzhugh said the Public Utility Commission (PUC) has received public comments on this proposed project and the developer has addressed these issues. The Select Board members now have a February 15, 2024 deadline to submit comments of their own. Manager Schulz will put this matter on the agenda of their next regular meeting (02/13/24) in case there are any. He felt that the developer did a good job of responding to the public concerns. Mr. Morse agreed, stating that the major issues were fire suppression and the dilapidated structure located near the electric substation. He felt the concerns about fire suppression had been addressed sufficiently and the developer plans to raze the structure. Mr. Morse now doesn't see any need not to go forward with this project, which would provide real benefits to the community. In addition, there would be a real improvement to the King Street neighborhood.

### Budget Status Reports.

Manager Schulz said the budget report for the Northfield Electric Department (NED) looks very good. NED revenues are as expected and department expenditures are well below the budgeted amounts. Manager Schulz felt there were no areas of alarm at this time. Mr. Fitzhugh noted that the Vermont State Legislature is meeting at this time and there have been discussions of potential new renewable energy source requirements, which might increase the cost of purchasing power for NED. There is no clear indication whether anything will come out of these discussions and as Northfield's VPPSA representative, he receives regular updates regarding any possible legislation affecting public utilities.

### Other Business.

Mr. Fitzhugh said the proposed installation of smart meters in Northfield is progressing well. The State of Vermont will cover about forty percent (40%) of the installation costs and the first smart meters should be in place this fall. The regional data collectors will be put in place first and tested before all the smart meters are installed.

Mr. Fitzhugh said another potential project that had been discussed was the realignment of NED transmission poles located along the Dog River in flood plain areas. Green Mountain Power (GMP) was asked to provide price quotes for the work, which would involve removing the current poles and installing new ones either through or along Freight Yard Way. Mr. Fitzhugh received a recommendation from another source to just leave the current poles in place as they are causing no problem where they are. He feels that probably would be the best course of action and the other utility commissioners agreed with this. Mr. Fitzhugh will inform GMP that we will not be going forward with this project.

Mr. Stevens asked about the usage of the new electric vehicle (EV) chargers on Depot Square. Manager Schulz has the data regarding how much and how often they are used and will provide this information to the utility commissioners. He added that the monies brought in certainly cover the operating expenses. Mr. Morse agreed that the EV chargers are being used.

## Adjournment

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

The Board adjourned at 7:29 p.m.

Respectfully submitted,

*Kenneth L. McCann*

Kenneth L. McCann, Acting Clerk