

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – March 23, 2016**

Present: Chairman Moffa, Commissioners Blackler, Hall, and McQuaid, Advisor Dienst, DMO Harty, Trustee Stokes-Cawley.

Absent: Commissioner Palmer

Chairman Moffa called the meeting to order at 6:02 pm.

Approval of Minutes. Upon motion of Comm. Hall, seconded by Comm. McQuaid, the minutes of the February 24, 2016 regular meeting were approved as submitted by a 4-0 vote in favor of the motion.

SEWER SYSTEM/WWTP. DMO Harty acknowledged the special meeting that the Board held on 3/10 at which current condition and operational issues that are being experienced in the system. The biggest is in the current collection system, emergency power supply and wet weather operations, including some weaknesses that need to be addressed immediately. Everything that the Board reviewed in its work session of March 10 was presented to the Village Board at its March 19 budget work session. Based on general benefits revisions, DMO has the final budgets for Water and Sewer prepared.

There are some longer-term needs -- asset management software, VFDs for the pumps at Elizabeth Street to enable continued use of the current generator by matching the motor load with the generator load, bar screen operating mechanism replacement, draining/cleaning of the lagoons, tackling I&I, energy improvements and process efficiencies, including sludge management. She noted that we recently did a lot of sewer cleaning which flushed grit into the collection system and the plant.

DMO reviewed the current projections for the Sewer Fund assuming a rate increase from \$0.0425 to \$0.062 per hundred cubic feet. This yields a projected annual surplus of \$200,000 in FYE 2021, due to the full retirement of both the ESC and the general fund indebtedness. Our average annual user bill would be \$384, which still compares very favorably to Marcellus at \$511 and Onondaga County at \$411. So even with the increase, we are still under comparable systems.

Historically, as our one-time extraordinary revenue events began to wind down, and with expenses escalating annually, the fund continued to appear healthy though revenues were insufficient to cover expenditures. Financing the RBC replacement with cash took half a million out of the fund balance. In retrospect, rate increases should have occurred sooner. It is important to rebuild a prudent cash reserve.

DMO Harty presented her continuing investigation into wet weather protocol issues. She reviewed the collection system from the east side and west side, which all merges at the West Elizabeth Street pump station. When flows exceed capacity of waste water treatment plant influent, the Elizabeth Street pumps transfer the flow to the ORF as designed. The pump station was not keeping pace during wet weather events, necessitating a change on its operating parameters. Shannon has identified a need for emergency power at West Elizabeth and radio control improvements at all pump stations and placed funds in the budget for this work. She and the DPW crew suspect that there is an interconnection on the east side of the Village. Difficulties occur when we have high creek levels and high rainfall. Beaver activity is exacerbating the issue. Chairman Moffa reported that we have bank beavers rather than river beavers at the creek.

DMO recapped the numbers underlying the proposed FYE 2017 Sewer budget, including the itemized expenditures from the budget, answering questions from the Board. In summary, the rate increase should yield revenues projected at \$588,000 while expenditures are projected at \$567,000, yielding a projected operating surplus of \$21,000. That is at a rate of \$0.062/100 CF. Interestingly debt service, labor and benefits comprise 59% of the projected expenditures.

On motion of Comm. Hall, seconded by Comm. Blackler, it was moved that the Municipal Board endorse the Sewer Fund FYE 17 budget plan with the attendant rate increase, and recommend its adoption by the Trustees. The Board further recommends that the Trustees consider annual rate increases on the order of 3% thereafter. The motion was carried on an affirmative vote of 4 - 0.

Comm. Blackler noted that sewer flows are considerably higher than billed water usage, implying a high level of I&I. DMO Harty discussed the possible east side interconnection with storm water possibly overflowing into the sanitary system. Flow meter testing is the next step. The fixes may not be enormously expensive. She also noted that currently-underway initiatives to replace the City-owned West Lake Road collector system and the lakeside West Lake Street collector system could reduce I&I by one-third. That will make a huge impact on our wet weather issue.

Water System. DMO Harty reviewed the budget numbers for the water fund, which should operate at a surplus in FYE 17. Expenditures are budgeted at \$430,000. Benefits are higher than Sewer Fund because these employees have lower contributions to benefits cost.

DMO would like to allocate \$350K of the \$650,000 fund balance for the ability to schedule replacement of the cast iron 4-inch mains on Highland and Griffin Streets when anticipated highway work is done.

On motion of Comm. Blackler, seconded by Comm. McQuaid, it was moved that the Municipal Board endorse the Water Fund FYE 17 budget plan and the requested allocation of funds, and recommend its adoption by the Trustees. The motion was carried on an affirmative vote of 4 - 0.

Trustee Stokes-Cawley invited the Municipal Board to attend the Trustees meeting on April 14, 2016 to hear the comments on the budget at the public hearing.

On the matter of recent turbidity events, DMO Harty reported that she has had recent discussion with GHD about preparing a turbidity event response plan, explaining that operating the system in parallel during such events provides us with expanded storage capacity, which could avoid a need to pump during turbid conditions.

Chairman Moffa noted that monitoring during a turbidity event could provide insight into where it is coming from. Drop curtains or other technology could reduce its effect.

Chairman Moffa reported that drones have proven able to monitor turbidity at great depth. Comm. Hall said that he had recently been involved in conversations with RIT about the use of drones for such monitoring.

Chairman Moffa would like a more thorough discussion of this topic at the next meeting.

Chairman Moffa noted that Bob Lotkowicz had prepared a CMOM in 2011. He inquired if it needed to be updated? DMO Harty said that the update is due and that she has been in communication with DEC regarding the timing.

Electric System Improvements and AMR.

DMO Harty explained that the Village does not adopt a budget for the Electric Fund. The Board suggested that this be delved into. The detail will be important should the Village decide to pursue a rate case.

The Electric Fund is being hit this year for the new AMR system. Likewise, there will be costs associated with the new substation in FYE 17.

NYMPA/MEUA/IEEP. No update.

Village Hall/NYSERDA Grant. No update.

LED Street Lighting. No update.

Utility Finances. DMO Harty provided the board with a recent update.

Trustee Stokes-Cawley noted that the Village is participating in an April 23 event being put on by the Climate Change [unintelligible] Action. She invited the Board to be present at Village Hall during the event.

Next meeting. The Board concurred with the scheduled date of the next meeting; Wednesday April 27 at 6:00 pm.

Upon motion of Comm. Hall seconded by Comm. McQuaid, the meeting was adjourned at 6:52 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards