

VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – November 28, 2016

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

Chairman McQuaid called the meeting to order at 6:05 pm.

ADMINISTRATION

Approval of Minutes. Upon motion of Chairman McQuaid, seconded by Comm. Blackler, the minutes of the October 26, 2016 regular meeting were approved as submitted by a 3-0 vote in favor of the motion.

Comm. Rhoads joined the meeting after this item was concluded.

Project Prioritization, Planning & Scheduling. Chairman McQuaid would like to schedule a special meeting during December to discuss prioritization in depth. Concentration will be on near-term projects and short-term projects. DMO Harty agreed, inasmuch as she would like to begin addressing utility budgets in January. In this session, the members can begin to rank risk if appropriate. While funding limits are based on the current budget, there may be opportunities to use external financing where necessary and appropriate.

MB Membership Engagement. Chairman McQuaid recapped the Board utility liaison assignments -- Electric, Comm. McQuaid; Water, Comm. Rhoads; Sewer, Comm. Palmer; Consultant, Comm. Blackler. DMO Harty would like to use Liaisons as sounding boards on key projects/initiatives/problems, including meeting attendance or coordination on significant projects. The Board agreed that 3rd party outreach would only take place upon DMO's specific request. Advisor Dienst will be involved in specific projects, but probably will not regularly attend meetings.

ELECTRIC UTILITY

Utility financials. DMO Harty reported that the Electric Fund made a \$38K payment to Bath on the substation purchase; fund balance is down about \$40K for the fiscal year. On the expense side, some \$150K has been spent on the substation project including the Austin Street feeder. DMO anticipates that this project will require additional expenditures of \$335K by May 31, 2017 to complete. Additional areas requiring financial expenditures are street lights for Heritage Woods, Sensus upgrades, replacement of electric meters with L&G units, and potential vehicle replacements. Assuming receipt of the \$75K expected from the Parkside developer, the Fund should end FY 2017 with a \$500K balance, about the minimum that DMO Harty feels is prudent, and that represents some 3 months of expenditures.

DMO Harty briefed the Board on the previously discussed sunseting of the Sensus AMR software support and provided an analysis of alternatives. The Sensus system currently supports the Sensus electric and water meters; we also run a parallel system for the support of the L&G electric meters. Sensus has discontinued support for its server-based software and is suggesting that clients convert to a software-as-a-service cloud-based system requiring one-time conversion costs and ongoing annual service fees. As has been previously discussed, the Sensus system supports water billing and leak detection very well, but is weak on electric billing and operational support; an area where L&G excels. The Village has decided to adopt the L&G solution for all new meter placements and to use that equipment for any required repair replacements. Therefore, the population of Sensus meters within the electric utility will represent a declining number, subject to final mass conversion at some point. DMO feels that converting the electric meters to the new reading model represents wasted dollars after at most 5 years. She suggests that a more prudent approach is to:

- convert the Village and Town water meters to the new cloud-based system, sharing the conversion costs with the Town.
- continue to operate the Sensus electric meters using the existing but unsupported fixed-base server and licensed software. This system has proved itself to be stable. The risk to the Village is that the software could cease to function, necessitating manual reading of up to 670 meters. That effort could be readily accommodated if necessary.
- continue the migration of electric meters to L&G equipment over time, which will reduce the Village's dependence on the discontinued fixed-base system, until such time as all electric meters have been converted.

On motion of Comm. Palmer, seconded by Comm. Blackler and the unanimous vote of its members, the Municipal Board recommends to the Board of Trustees that the Village:

- **convert the Village and Town water meters to the new Sensus cloud-based system, sharing the conversion costs with the Town.**
- **continue to operate the Sensus electric meters using the existing but unsupported fixed-base server and licensed software.**
- **continue the migration of electric meters to L&G equipment over time, which will reduce the Village's dependence on the discontinued fixed-base system, until such time as all electric meters have been converted. The timing will be subject to the Village's capital planning.**

Operational Activities.

- DMO Harty has been working with NYSERDA's retained subcontractor on the energy production and usage verification for Village Hall.
- DMO Harty has received a proposal from Bartlett to perform take-down of 8 trees and to perform pruning of others as part of utility line maintenance. This information was reviewed with the Tree Advisory Board in a meeting earlier in the month.

- At the substation site the excavation and rough grading have been done. The plan is to install pre-cast footers and then pour the pad. DMO Harty has ordered the secondary containment membrane which will allow water to drain normally, but which becomes impervious to oil if a spill occurs. This, weather permitting, will be installed by year-end. The Village is holding back the sum of \$25K subject to successful start-up and testing, at which time it will be paid to the Village of Bath.
- Deployment of additional L&G replacement meters is progressing, though timing has been affected by substation work.
- LED streetlights have now been installed at 3/4 of the Fennell Street locations, with Jordan yet to be done. DMO Harty is pleased with the performance and appearance.
- Advisor Dienst suggested that the demand response initiative be reinvigorated. DMO Harty noted that personnel changes at both parties may have delayed progress.
- There is no update on the joint project with the School District.

NYMPA/MEUA.

The Board considered the introduction of the NYS Clean Energy Standards and NYMPA's updated estimates of the impact of the introductions of RECs (\$0.12 to \$0.33 per month, beginning January 1, 2017) and ZECs (\$2.40 to \$6.59 per month, beginning April 1, 2017) on electric service bills. The Board discussed the advantages and timing attendant with customer communication and appropriate presentation on the bill. DMO Harty suggested that she would prepare draft notification wording for consideration by the Board. **On motion of Chairman McQuaid, seconded by Comm. Rhoads, the Board unanimously concluded that these charges should be incorporated into the purchased power adjustment, but that the Village needs to be transparent about doing so by including an explanation of the PPA and the introduction of these new taxes in periodic customer explanations.**

WATER UTILITY

- The utility is in good financial shape and is continuing to run an operating surplus; fund balance is up by some \$80K this year.
- DMO reported that Village-wide lead and copper sampling had shown that the presence of these metals in the water are below acceptable levels.
- DMO reported that we had gone more than 12 months without a second turbidity event, thus the event counter has been reset to zero.
- DMO reported on capital projects under consideration that involve the potential replacement of several water mains throughout the Village. While many of these are just normal-course replacements of aging infrastructure, other work is likely to be driven by National Grid gas main replacements or DOT road reconstruction initiatives. In order to be prepared to take advantage of fortunate timing, DMO had asked GHD to propose the required engineering services -- mapping, design documents, bidding documents, construction documents and construction observation for a number of different projects, that might represent \$2MM in total construction cost. Any streetscape improvements,

while engineered in this scope, would be charged to the General Fund when built. **After discussion, on motion of Comm. Palmer, seconded by Comm. Rhoads, the Board unanimously recommends to the Trustees that GHD be authorized to undertake Task Order 8 as proposed, at a sum not to exceed \$140,500. It is the Board's understanding that this work will be charged against currently budgeted funds for water main replacement work.** Comm. Rhoads asked how projects were selected. DMO Harty indicated that the initial focus was on the east side for fire flow considerations, but that aging lines due for replacement are present on the west side of the Village. A lot of our water main breaks are happening there. Comm. Rhoads reminded the Board that water pressures in the Village center are already high and likely to become higher as improvements are made.

SEWER UTILITY

- The sewer fund balance has risen significantly to a level of \$215K. That level is sufficient to allow for the December EFC loan payment in the amount of \$125K and will leave resources sufficient to begin the repayment of the General Fund 'Due To' in April. Not reflected in the fund balance is a \$26K A/P amount for the sludge truck upgrade.
- The Village experienced a significant wet weather event in October with almost 9 inches of rain falling in a short period of time. This produced a 2.6 million gallon overage above design limits for the plant. That amount exceeded the capacity of the ORF, necessitating discharges to the creek which exceeded limits on coliform bacteria. Many of the plants in the area experienced similar discharge situations.
- DMO reported that as a result of this event, the DPW has narrowed down the likely spots of inflow into the system. DMO has arranged with Owasco to borrow their TV inspection gear.
- Brad Nofell will be away for two weeks training, preparatory to being licensed.
- The Board discussed the increased volume of grit that is being removed as a result of some revised protocols. After discussion, the Board agreed that these measures are optimal in minimizing the amount of grit that must be disposed of as sludge and reducing wear and tear on the sludge pumps.

SUMMARY OF ACTION ITEMS

- Chairman McQuaid will speak to members about scheduling a special meeting on prioritization for December..
- DMO Harty will draft statement explaining PPA changes.
- All are invited to the Holiday luncheon on December 16.

Meeting Dates. The regular December meeting will be held on December 22, 2016.

Upon motion of Chairman McQuaid, seconded by Comm. Palmer, the meeting was adjourned at 7:25 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards

