

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – February 23, 2017**

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

Absent: Commissioners Elliott and Palmer

Chairman McQuaid called the meeting to order at 6:00 pm and asked that members inform her prior to the meeting, if a conflict will prevent attendance. In that way, advance action can be taken if a quorum is in jeopardy.

ADMINISTRATION

Minutes. On a motion by Comm. Blackler, seconded by Comm. Rhoads, on a vote of 3 – 0, the minutes of the January 26 meeting were approved as submitted.

Project Prioritization, Planning & Scheduling. DMO handed out a revised detailed project priority list which had been updated based on the Board's input during its last meeting. The prioritization scores were summed to assign weights. DMO had prepared a summary report which was reviewed by the Board in detail. Everything shown under the current budget year is work DMO expects to be completed and expended during FYE 2017. The budget amounts shown are for external expenditures; staff labor is not budgeted by project, but rather is budgeted by person. As to future budgets, DMO thinks it critical that the evaluation of the underground system for electric be undertaken and completed. The budget for the water Fund will have to be sufficient to sustain an annual debt service payment of \$150,000. DMO then explained specific entries in response to Comms.' questions.

UTILITY FINANCIALS

DMO presented the current data that shows that the Electric Fund balance is \$693K, reflecting the ongoing investment in new assets, including the substation. DMO believes that fund balance should not be drawn below \$500K. The Water Fund, that normally operates at an annual surplus of some \$50K per year, is up about \$90K for the year. The Sewer Fund, a subject of concern last year, is performing better than projected -- also up about \$90K this fiscal year.

ELECTRIC UTILITY

DMO reported that the billing algorithms for demand customers did not have the correct multipliers after the conversion to CUSI, resulting in an underbilling of some \$150K to demand customers (\$80K school district, \$38K TOPS, \$17K Mirbeau, and smaller amounts to others). The billing has been corrected; letters will go out with next month's bills to explain the issue.

There are roughly 40 customers who are Class 3 demand users. The PSC tariff permits us to go back for 24 months with commercial customers and 12 months for residential customers. The Board discussed the impact of electric heat on electric consumption.

Sensus has presented their proposal for conversion to a hosted system for water meters. While DMO is negotiating the agreement, she is concerned about the declared date of mid-April for end of support since the time required for conversion will be longer than that date. We will continue to use the existing system to read and process our Sensus electric meters.

RECs and ZECs will be implemented on the State's timeline. The Board believes that the immediate appropriate treatment is to make these mandates part of the Purchased Power Adjustment for the near-term, while it evaluates what residents want and what other major utilities intend to do. The Village will estimate the 2017 impact on the average household, and prepare some FAQs in explanation. Those seeking more information will be directed to the NYS Public Service Commission web site.

The substation foundation is completed and crews are working on the grounding grid installation. National Grid has assigned a new account executive. DMO estimates project completion in late May.

Replacement of electric meters with L&G meters is being done as time permits.

LED streetlights have been installed on Fennell Street and the majority of Jordan Street. We have procured the lights needed for next year's program using IEEP funds; some \$25K of 2017 money. Upcoming installations will convert cobra-head fixtures on East Genesee, State, Kane, West Lake and Onondaga streets.

WATER UTILITY

The Town consumes some 60 to 70% of the water produced by the Village, yet pays a rate about half of that paid by village residents, representing some 45% of revenues. The talked-about Town western district is short on engineering design and operational specifics.

The Village's water main replacement project is moving ahead. GHD's surveyors are finishing up their work.

SEWER UTILITY

The contract support person for Brad is working out very well. Several issues have been uncovered and corrected, including incorrect chlorine dosing requirements during wet weather events. This should eliminate fecal violations in the future.

The team is looking at sludge thickening processes.

SUMMARY OF ACTION ITEMS

Budget Recommendation. DMO said that the Trustees will concentrate on the General Fund and begin their budget work sessions in early March -- by their first meeting in April, the Trustees will need the Board's recommendation on the water and sewer fund budgets. The Municipal Board will be the entity that tracks the incremental spending against budget. The Board members agree that immediate, near term and long term project classification will allow for better capital and debt service forecasting. Comm. Rhoads asked that the Board be provided historical data, current budget and projected budget figures. DMO will provide the Board with budget data next week; after any *ad hoc* discussions and feedback, the Board will consider its recommendations at the March 23 meeting. Ch. McQuaid asked that a single spreadsheet be prepared for ongoing tracking.

Meeting Dates. The Board acknowledged that its next regular meeting will take place on March 23, 2017 at 6:00 pm. Meetings will be held in the DMO conference room.

On a motion by Ch. McQuaid, seconded by Comm. Blackler, the Board unanimously adjourned the meeting at 7:10 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards