

VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING -- MAY 21, 2012

Present: Chair Peter Moffa, Commissioners Blackler, Blackwell, Dolmatch and Hall. Trustee Lanning, DMO Lotkowitz (arrived at 7:45). Also, Kevin Castro and Thomas Devine of GHD Inc. (Village engineers).

Minutes: The minutes from the meeting of April 23, 2012 were approved as submitted on motion by Comm. Dolmatch, seconded by Comm. Hall. The vote was 3 – 0 with Comms. Blackwell and Dolmatch abstaining.

Cryptosporidium – UV Project Status: Chairman Moffa explained that DMO Lotkowitz would be delayed in arriving due to his attendance at an award recognition event for one of his children. He noted that all members of the Board have visited the station, everything is operating well and the project is a success story. Mr. Castro of GHD Inc. (f/k/a Stearns and Wheeler) stated that his presentation would cover the current status of the implementation of the disinfection improvement project, some recommendations for improvements to the booster pump station, and that Mr. Devine had a proposal regarding the real-time monitoring of pump performance through pump efficiency metering.

UV disinfection started successfully on March 28, 2012, ahead of the April 1 deadline for having such a system in operation. The system is in compliance with all standards, is achieving the 2-log activation of cryptosporidium that was designed, and has a SCADA control & monitoring station that allows for operator control of system elements (including remote access to station trending and monitoring data).

Mr. Dolmatch inquired whether there had been any events triggered by an increase in turbidity. Mr. Castro said he was aware of none, but that such an event would be handled by elevating the UV dosing treatment if it were to occur. Chairman Moffa said that he and the DMO had become aware of a cryptosporidium event reported last November by the City of Syracuse to the Department of Health. While the City had represented that the event was caused by the source water quality, there is reason to suspect that the cause may have been bird life at the City's reservoir.

The SCADA system monitors and reports some statistics directly to the DOH. We would be allowed a 5% off-spec performance, but to date the system has delivered 100% on-spec water. DOH has done their walk-throughs, noted no issues or concerns and have expressed their satisfaction. DOH plans to issue the Certificate of Completed Works upon completion of any additional improvements by the Village.

As part of this project, the two pumps were replaced with pumps having variable frequency drives, designed to reduce the energy consumption at the station. One of the new pumps has not achieved the 79% efficiency specification for these pumps, missing the standard by 1.2%

(77.8%). As a result of Goulds' Pumps inability to achieve the standard, GHD asked for and secured agreement for a \$5,000 credit, sufficient to offset the operating cost of the discrepancy in efficiency for 20 years. This will be realized through an agreed-to change order to Henderson Brothers' contract which should be processed soon. The pumps are operating at 90% of rated speed which further reduces energy consumption at the booster station and extending the useful life of the UV system by reducing start/stop cycles.

The project also improved the chlorination system by replacing the chlorine feed and monitoring system within the station, so Village can separately specify chlorination levels independent of the City of Syracuse. The UV and City chlorination systems together are achieving the required regulatory inactivation of pathogens, so the Village has not yet begun separate chlorine treatments, a step remaining to be tested. A meter has been installed at the booster pump station to measure the turbidity of the water entering from the City of Syracuse. If the City should fail to take action during a turbidity event, the Village is now equipped to measure the levels. The pumps will automatically shut down if the levels reach 4 NTU (under the 5 NTU limit), for filtration avoidance.

Mr. Castro went on to observe that this state-of-the-art treatment facility is housed in a building that has some issues, with floor condition, lack of piping insulation, need for electrical reconfiguration and upgrades (including removal of old wiring in the attic area), dealing with hazardous materials (asbestos/lead paint), and refurbishment or replacement of doors, windows and other structural elements – at a cost to be determined.

Overall, this project was originally estimated to cost \$830,000 for construction. A favorable bid of \$589,000 was received and the anticipated credit of \$5,000 will completely offset the project's change order of \$4,200. Even including GHD's engineering & program management fees of \$120,000 and any legal costs, the project should come in below the original bonding estimate of \$800,000 for construction alone. While there may be some funds available for building improvements, Comms. Hall and Blackwell and Chairman Moffa felt that other funding needs within the Village might take priority over these expenditures. Comm. Dolmatch observed that these payments relate to the Water Fund, so that fund accounting does not necessarily permit under-runs to be spent in other areas. The Chairman suggested that the Board wait for the cost estimates to be produced and asked the engineers to prioritize the improvements for the Board, when they produce their estimates. Mr. Castro observed that using the contractor -- already in place -- could help the Village avoid some costs.

Mr. Devine explained his experience in energy & processes for WWTP to the Board. He stated that it is beneficial for the Village to be able to determine the actual pump efficiency at the times the pump is operating. Most stations do not collect this information on a real-time basis, relying instead on the installation of test meters to do special studies on efficiency from time-to-time. GHD posited that if gauges could be replaced with transmit devices reporting through the PLC & SCADA systems, that the data could be collected and analyzed automatically by a system performing the requisite calculations and be able to trigger an alarm if efficiency drops below anticipated levels -- not only getting data on what the problem is but some insight into the implications of the problem. This approach can help reduce costs, reduce premature failures and allow observation of problem conditions that are only apparent when the pumps are operating.

GHD anticipates that this proposed system can feed the pump curves, in equation form, into the SCADA system for comparison to the anticipated theoretical performance.

Mr. Devine explained that the Village would need to install a discharge pressure transmitter, while GHD would implement a demonstration system by providing all development programming and software integration at no cost to the Village. In this arrangement, GHD would obtain a demonstration system and reference account while the Village gets a license to use the system for free. The Chair asked for a motion. **Comm. Hall moved the acceptance of GHD's proposal for a demonstration system. Comm. Dolmatch seconded. Upon the unanimous vote of the Commissioners present in favor of the motion, Chairman Moffa indicated that the motion had passed.**

There was discussion among the Board as to the benefits of monitoring peak electric load periods and the advisability of avoiding pumping operations during such periods. The subject of whether the variable frequency pumps would allow higher pumping activity during a rapid draw-down of reserves, such as during a fire, was raised. This would allow the tanks to be replenished at a higher rate in a manner similar to how it was handled by the old fixed speed pumps. Mr. Castro stated that such increases could be manually invoked; cautioning that automatically doing so could exacerbate some failure conditions.

Chairman Moffa thanked Mr. Castro and Mr. Devine for their participation.

Next Steps for Master Plan of Village Electric System: Chairman Moffa asked the members to report where each stands on the section(s) they had volunteered to draft. Comm. Hall had volunteered to write the system description, noting that much of what he needs is in the CHA report. Comm. Blackler furnished him with a copy to use; DMO Lotkowitz may have a soft copy.

Comm. Blackwell handed out his draft of the goals. He had concluded that this section should start with a mission statement and master plan objective, which he drafted also. He then prepared seven goal statements. He raised the question of undergrounding power lines, and suggested that such activity be decided pursuant to a budget. He requested that the other commissioners provide some feedback; Chairman Moffa suggested that the Board do so at next month's meeting. At this point, Mr. Lotkowitz arrived.

Comm. Dolmatch has sent materials out already to the members. He explained that some of it is language to be used and some of it is suggested information that should be included. He asked for feedback on whether this is sufficient to describe trends and whether additional data will need to be collected.

Chairman Moffa asked if CHA had yet provided cost estimates for the various projects listed in the draft report. DMO Lotkowitz said that it has not yet been done, but that CHA is aware of the requirement to do so.

AMR: There has been no change in status, so no update from last meeting. Comm. Dolmatch asked if there was an ability to use DPW staff to make improvements at the water facility as

mentioned in Item 1 above. DMO Lotkowitz indicated yes; but depending on the work involved, some of it probably should be contracted. There are no union contract prohibitions on utilizing existing contractor for water system work.

Comm. Blackwell distributed some language from the AMR contract and offered the opinion that payments to the contactor were questionable, given a failure to connect to the DOS-based Williamson Law Books billing software, as specified in the purchase offer by Prescott. Chairman Moffa noted that he did not want to spend much more time on this point, since it has been fully discussed by the Board previously. He noted that there are obviously differences in expectations as to what was to be provided. DMO Lotkowitz stated that all meters on AMR are being read, flowing to the billing system and bills are being produced. Comm. Blackwell thinks there is too much manual effort required for the requirement to have been met. Chairman Moffa said that this Board should concentrate on the technical solution and the Village Trustees decided on making payments. Comm. Dolmatch recalled that payments were authorized because the Village wanted to obtain additional meters, and partial payments were required by the vendor. The Chair stopped the discussion at this point, believing that differing interpretations of 'downloading' were at the root of this continuing discussion, and that the Trustees had made their decision. Comm. Blackwell indicated his strong disagreement, which the Chair noted would be reflected again in the minutes.

Community Center Impact Study – update: DMO Lotkowitz said the Village is still pursuing a meeting with the Public Service Commission. The most desirable option is to leave the existing 13.2 MW connection into the Community Center in place, and then do a transaction to take that facility over. That may be problematic if National Grid requires extra studies. It looks more likely that rebuilding of infrastructure to connect into the Community Center, repositioning some of the load in the Village, retrofilling the existing transformers with FR-3 oil, adding another circuit tie with the Fennell Street circuit to the Jordan Road circuit which would feed the facility, upgrading the Jordan Road circuit from Town Hall up Jordan and extending three phases up Jordan to the Village line and then easterly into the Community Center, either UG or aerial, to the existing transformer location. All in this would cost approximately \$300,000. Either way, there would be just one substation within the Village.

There was discussion on the Village's entitlement under FERC to have a second substation, and we have an estimate to do so, though it costs a lot of money. National Grid must do an impact study and the transmission would be at 34.5 MW. The potential benefits of loop redundancy and diversity were mentioned, though some members question that this would have much positive impact on electric availability. Maybe CHA could comment on that point. Mr. Lotkowitz observed that the Village does have redundant feeds and transformers already.

Hydro-power Increase – update: DMO Lotkowitz indicated that this matter is scheduled on the NYPA Trustees agenda for May 22, 2012. This is to address the load for the Community Center and the load for the addition, not for any loads that would be transferred up there – likely 480 KW.

Talcott Lane Water Line – update: DMO Lotkowitz has received the map from the surveyor. Village Attorney Byrne is to work with the land owners to obtain the necessary easements.

WWTP – RBC – update: We received submittals last week; they are under review and then will be forwarded back.

CNY Climate Change Innovation Grant – update: ESF students have completed the study to define the carbon footprint of Village operations buildings. The CNY Regional Planning Board has taken that and will project those results to the remainder of the Village. When the Board gets those data back, we will need to define a project or projects to reduce that carbon footprint.

Reservoirs’ Future – Town & Village – Plumley report: Chairman Moffa said that he had talked with GHD, and that Mr. Castro will look at their original recommendation and would respond back to Mr. Lotkowitz before the next meeting. There may be a way to utilize the decommissioned reservoirs for membrane filtration backwash.

CHA Proposal for Underground Service – Fennell/Jordan Streets: DMO Lotkowitz indicated that the Trustees had approved the \$18,000 expenditure for the design of underground service. On Jordan Street, the current plan is to feed to the intersection with Fennell with underground plant from the substation, and continue to use aerial distribution up Jordan. This expenditure is for a design, not a study. Comm. Blackwell noted that while “pretty”, the cost can be prohibitive because of the need to feed users from the underground. Underground facilities do not necessarily improve reliability, and operating problems may be more evident in aerial plant. He cautioned that the existing UG network should receive necessary upgrades to correct any safety or other deficiencies before it is expanded. Comm. Dolmatch observed that others attached to the poles will also have to move underground if a reduction in the numbers of poles is to be realized. Chairman Moffa indicated that the Board would prioritize recommended improvements for the Trustees, and that CHA needs to be specific on what will be accomplished.

Fixed Price TCC Renewal: This is an item of new business. In response to Trustee Lanning’s inquiry these are Transmission Congestion Contracts provided through NY Municipal Power Agency to offset the congestion penalties imposed by the NY Independent System Operator. In the 12 months November 2010 through October 2011, NYMPA collected \$2,017,000 to offset \$3,097,000 in costs. So the Village benefitted from having these contracts in place. Since November 2011, NYMPA has collected \$1,000,000, offsetting only \$80,000 in congestion costs, largely due to the mild winter. But the contracts represent an insurance policy for the entire year. The NYISO is the unknown factor, since it has control of distribution. By its own actions it can create or minimize congestion. The NYMPA TCCs hedge against that risk and other systemic problems, and NYMPA recommends renewal. **Comm. Blackwell moved to recommend the renewal of the TCCs. Comm. Dolmatch seconded. Upon the unanimous vote of the members present in favor of the motion, Chairman Moffa declared the motion passed.**

Next Meeting – June 25, 2012: The members agreed to hold the next meeting on June 25, 2012.

Upon motion of Comm. Dolmatch, seconded by Comm. Hall, the meeting adjourned at 8:48 pm.