

VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – February 27, 2013

Present: Chairman Peter Moffa, Commissioners Blackler, and Blackwell. Advisor Dienst, DMO Lotkowitz. Village Trustee Lanning.

Minutes: The minutes from the meeting of November 28, 2012 were approved as corrected by acclamation.

Chairman Moffa called the meeting to order at 7:10 pm.

AMR – DMO Lotkowitz reported that crews have completed the installation of the 3 of the 4 District meters doing them one at a time. All 3 remaining 6-inch meters have been done, covering Districts 1, 2, 4 and 5. The 2-inch meter on West Elizabeth Street, for District 3 has yet to be replaced. DMO does not believe that there is a problem with the meters that could lead to the Town’s recent inquiry about perceived billing discrepancies. The raw data from the AMR meters must be multiplied by a factor of 100. DMO said that when he gets details on the issue, he will inform the Board.

URD Serv.-Fennell/Jordan Streets Design - DMO Lotkowitz reported that, as requested, he has prepared a bottom-line estimate of the costs, including the costs for street lights and conversion of services from overhead to underground. The numbers are as follows:

Fennell Street Feeder	\$876,186
Jordan Street Feeder	104,125
Street lighting	46,800
Conversion services	32,500

for a total estimate of \$1,059,612, including a 15% contingency provision. This provides for underground services from the east of the Old Stone Mill across Jordan and up to the pole at the Town Offices, across Fennell and down as far as Creekside Books. The Commissioners reacted that it seems like a very big number. Comm. Blackwell believes that the estimate seems very realistic, including the underground feed into the house or business. Chairman Moffa opined that the Trustees are giving some thought to this plan. Trustee Lanning indicated that the Trustees are generally in favor of the concept, though no substantive discussions have taken place, pending an estimate of costs, which we now have. Chairman Moffa asked if this does seem like a reasonable cost for such a project. Comm. Blackwell indicated that it is, based on research he did three years ago on the costs for undergrounding utilities, saying “every time a village or a city goes in to take care of ugly lines and put them underground, they come up with a cost that is so high that it scares everybody off and they don’t do it.”

The Board discussed the project on Genesee Street some years ago, in contrast to Fennell, which has many fewer users. Discussion continued on the magnitude of the costs and possibly requiring customers to pay for the cost to convert service. That has not been the precedent in the

prior case of Genesee Street, where the Village picked up the cost. Chairman Moffa posited that the Municipal Board position should be, from a technical point of view, that the CHA estimates seem accurate. While the opinion of the Board may be that the costs for this project are rather high, it will be up to the Trustees to decide if they want to go ahead with this project, given the impact on the taxpayers. Comm. Blackwell observed that there are 1200 ratepayers who would have to cover the \$1,000,000 cost. Trustee Lanning cautioned that no decision has been made, and that there may be ways to reduce the cost impacts on the Village. The next step will be a review with the Mayor by DMO Lotkowitz.

Master Plan of Village Electric System – Chairman Moffa observed that the preceding discussion was a good lead-in for this topic. The Master Plan takes account of the entire Village electric system to get a better appreciation for what the total needs may be; that will help to put in perspective any capital improvement projects such as that discussed previously. It will also identify items that are immediate, intermediate or long-range capital improvement projects. The Commissioners have all reviewed the Section 5 draft. Chairman Moffa finds it quite complete with the exception of some attachments. DMO Lotkowitz has two of the tables already prepared. The drawings on page 3 may be able to be produced as a variant of existing CHA drawings. One useful life table has been submitted. Projected replacement costs still need to be compiled. Useful life and ages for the transformers are still to be developed. The Chairman directed DMO to have the transformer costs and ages developed in the format required.

Ephesus Technologies Demo of LED Street Lighting – One light has been installed on the south side of Genesee Street, in front of Thayer Park. The units that were planned for Parkside have an issue with the fit of the globe. The downward direction of the lighting substantially reduces the amount of light in the top portion of the globe. A second unit will be installed on an adjacent pole. The company continues to have difficulty with the promised circuitry for remote level adjustments and has not made it available yet.

Water System Asset Management Plan and Study – DMO Lotkowitz has reviewed a preliminary draft -- and is expecting a final draft this week -- that will be circulated to the Commissioners for review. DMO handed out several drawings from the previous draft. One is a schematic showing the entire system and noting pipe sizes for each segment. In that model, the pipe from the tower on East Street to Onondaga Street appears to be performing as a 4 – 6 inch pipe. Upon inspection, the pipe actually is an 8 inch pipe; but it is tuberculated, and functions as a 4 – 6 inch pipe. In their model, GHD has achieved very small differences between the model's projections and the actual observed conditions, implying a highly accurate model. One of the recommendations yielding significant improvements is a 10 inch line to Onondaga and an 8 inch line down East Lake Street. DMO Lotkowitz noted additional drawings showing existing pressures and the predicted benefit in peak hour flows derived from making the Onondaga and East Lake changes. Chairman Moffa observed that these initiatives provide guidance for the Trustees to use in prioritizing Village needs. This becomes a far more critical issue for fire flow improvement than burying electric lines. Comm. Blackler observed that the water flow diagram shows where you can invest the least and get the most.

Victory Sports Complex – DMO Lotkowitz reported that no new information has surfaced regarding requirements for water from the developer. Otherwise, if one reads the newspaper,

one is up to date. Chairman Moffa observed that there is a retirement community being discussed for the former Bombard property on the east side.

Community Center – Chairman Moffa said that he attended a recent meeting with the Mayor and DMO. When the Community Center (“CC”) was built in 2000, it was part of the Village. The CC opted to have a direct connection to National Grid and to forgo receiving power from the Village Electric Department. CC has since decided to come onto the Village system, and the Village is obligated to supply power as requested. But providing such service will have an impact on Village ratepayers. A question is, can a new rate be developed to cover their usage that is closer to covering the costs for such service? The school district is the largest customer and would be affected by any rate structure designed for CC. As a result, Chairman Moffa stated that to pursue any new rates, the Village will need to have very good justification. Any overture to the NYS Public Service Commission will require a very good picture of our total system – again arguing for the speedy completion of the Master Plan discussed earlier.

DMO Lotkowitz had circulated Table 6.D. from a report done by Kurt Wilson in 2005. Wilson confirmed the model using data from 2003 through 2012, and projected data for 2013 – 2015. So one can look at consumption and costs with and without the load for the CC, factoring in the new grant of hydropower and the purchased power cost -- compared to the billings to be made to CC. Annually, costs to the Village will exceed billings to CC by some \$40,000+. The CC will be saving \$99,000 per year over their current service arrangement. Chairman Moffa said that the CC is in a position currently to pursue a grant through NYSERDA, in order to pay for system revisions that could lessen their usage. So Chairman Moffa and DMO Lotkowitz will be meeting with CC to offer to assist with preparation of a grant application.

Comm. Blackwell speculated that had CC been a Village customer from Day 1, the Village likely would have been forced to introduce a new rate structure covering large commercial users some time ago, since Electric Department reserves would have been drawn down. Chairman Moffa suggested that to make such a tier adjustment now, the Village needs to finish the Master Plan. Comm. Blackwell said he would recommend that a new rate classification for large commercial users be pursued now. Our demand rate structure does not adequately cover the situation. Chairman Moffa does not think that would fly with the Trustees, without a total picture of all the improvements as justification for any such application. The Board discussed the details of the current rate structure, as set forth in the Annual Report. The rate structure is not dramatically disparate according to DMO.

DMO Lotkowitz reported that the second point of entry from State Street is a dead issue in his opinion. The PSC staff did not seem to generate any traction in brokering a compromise with National Grid on this point. DMO then addressed the costs required to establish the service into the CC. CHA had prepared the estimates separating (1) the costs that the Village is obligated to incur under its tariffs, (2) the costs that benefit the CC only and (3) those costs that will be a benefit to all ratepayers. The total estimated construction billing to the CC is \$80,055, while the Village will incur unreimbursed costs of approximately \$62,937. While clearly the CC decision is driving the expenditures, the total cost incidence is not wholly on the customer, in CHA’s judgment. DMO said that the Electric Department goals are to accomplish the construction during the summer and have the CC on line by October 1.

Comm. Blackwell said, **“I move that the Village should establish the large commercial user rate classification and submit it for approval to the NYSPSC before the Community Center becomes a customer. We should anticipate what is happening as opposed to going to the PSC afterwards.”** The motion died for lack of a second. Chairman Moffa suggested that the Master plan be pursued as an important part of this discussion. DMO Lotkowitz said that the Trustees are working on establishing a contract with CC for electric power. Chairman Moffa suggested that the Trustees proceed by using the figures developed by CHA as the basis for an agreement; further, to continue with the existing rate structure until the Master Plan is completed, at which time a change in rate structure or a rate increase could be pursued with the PSC for the improvements that may be needed. The Village will need to be on solid ground when approaching the PSC. DMO thinks it would be difficult to do on the basis of a hypothetical customer.

Next meeting - The Board discussed the date for the next meeting. The Board agreed to hold its next meeting on March 27, 2013.

By acclamation, the meeting adjourned at 8:50 pm.

Respectfully submitted,

Dennis Dundon
Clerk to the Boards