

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – March 26, 2014**

Present: Chairman Moffa, Commissioner Blackler, Advisor Dienst, DMO Lotkowitz, Electric & Water Superintendent Allan Abbott, former Commissioner Dolmatch, Chris Carrick CNYRPDB.

Minutes: On motion of Comm. Blackler, seconded by Chairman Moffa, the minutes from the meeting of February 26, 2014 were approved as submitted.

Chairman Moffa called the meeting to order at 6:00 pm.

Electric System Master Plan - Chairman Moffa introduced Alan Dolmatch, thanking him profusely for his efforts in drafting the master plan for the Village Electric Department. Mr. Dolmatch passed out his original outline, which will be followed generally, but the actual availability of data may modify some areas. Mr. Dolmatch indicated that the introduction and summary will be written at the end. He asked for feedback from the Commissioners in the Goals and System Objectives sections, to be sure that his understanding was congruent with the Board's. He has incorporated the work of CHA into the Existing System Description, along with information gathered during interviews with DMO and the Board members. Using the system maps and CHA's documentation of observed field conditions, Mr. Dolmatch attempted to reconcile the data, such as pole numbers, transformer numbers and age of plant. While they do not always match exactly, they are close enough to make the point of the master plan. That point is that there will be an order of magnitude cost for replacing the existing distribution system plant. This will take place over a long period of time; 50 years has been assumed as the useful life of the system, which is consistent with Toronto Hydro's in-service life.

The assumptions regarding standards for various system elements (eg. 40 foot, class 4 poles). Review of the standards may suggest that changes be made to the system. For instance, at some point the Municipal Board may decide that the time has arrived to install a second substation, which raises issues of where the power comes from. Mr. Dolmatch also suggests that standards for conductors and other system elements be increased so that the Village system may become a 15 KV system rather than a 4.16 KV system, even though that conversion is not presently contemplated.

Plan elements were the ones that Mr. Dolmatch considered to be needed and on the horizon, such as the need for greater cutout and sector feeder transfer capacity, which is especially important in the Onondaga Street east connector.

In other possibilities, the Board might consider the creation of solar photovoltaic (PV) farms somewhere – not necessarily in the Village -- one possibility might be in a depleted surface mine. The benefits vary – for an individual, PV generation can lead to a credit to the electric bill, during some periods it might even build up a bank. For a utility, offsetting purchased power is

likely the biggest bang for the buck. The notion might be feasible at some point in time and could include batteries for storage.

DMO Lotkowitz informed the Board that he is looking into a digester operation. Mr. Dolmatch noted that in many European cities, garbage is collected by energy companies. DMO recounted a recent webinar focused on the City of Ithaca metro wastewater treatment plant (WWTP). The City uses Cornell University food waste and College of Veterinary Medicine waste – instead of incinerating it, the City uses it for methane to produce electricity and hot water. Chairman Moffa mentioned the importance of microgeneration, as suggested in *The Third Industrial Revolution*. Future sources of electricity will be small producers who are feeding excess capacity into the grid. Mr. Dolmatch suggested that if every household in the Village had generating panels, it would get figured out.

Mr. Dolmatch suggested that he was not clear on any future plans for properties to be annexed into the Village. Chairman Moffa mentioned the 50 unit CCRC that was discussed for the Bombard property. Member Blackler noted that the WWTP capacity is the limiter. Mr. Dolmatch suggested that there might be sensitivity given the Ruston lawsuit.

Mr. Dolmatch went on to note that the Village's system was conceived as a radial design with the primary loads at the Village center and residential loads as you go out, but evolution has led to large loads at the periphery of the system. That may require a different adjustment for the future. Chairman Moffa suggested that there are other infrastructure limitations. He suggested that the water system is the limiting factor, since the Village faces a bottleneck in UV treatment capacity. Mr. Abbott suggested that the Village was operating only at 25% of system pumping capacity. DMO Lotkowitz said that the design peak of 1.2 MM gallons is 3 times average daily usage.

Mr. Dolmatch stated that he had researched the past history in the form of the Annual Reports. From those he was able to determine that amount of money spent annually for system upgrades. He observed that an annual expenditure in the \$50,000 to \$70,000 range, carried out for 50 years, would equate to \$4MM, which is the capital value of the system. Advisor Dienst suggested that replacement cost is considerably greater than book value, and that the electric system will display 'lumpy' costs when you get to major projects like station replacements. The Village would need a reserve or other source of funds to handle those events.

Mr. Dolmatch observed that the Village was not building up a 'rainy day' reserve. He feels there are 3 ways to finance system changes and upgrades: (1) build up a reserve, (2) bond when you have to spend, or (3) establish a bond increment financing zone. He noted that the Village has been spending annual operating funds for this required work. He observed that if the Village wanted to put its facilities underground along Fennell Street, that whatever the cost number is, the Village does not have the reserves in place to write the check right now. This plan should conclude if the current rate structure is appropriate to support the system long-term.

Mr. Dolmatch speculated on the possibility of a different type of metering for the utilization charge rate structure. Possibly have each residence entitled to a minimum supply and then have usage charges above the minimum. He also questioned if every user should get the same

allotment of hydropower or if it should be allocated based on assessed value for example? DMO noted that the metering system has inherent capability to enable time-of-day pricing and recounted Boonville's recent revenue neutral rate case experience in which it shifted costs onto higher-consuming users. Mr. Dolmatch indicated that he is using the draft document to pose issues for the Board to consider.

Mr. Abbott commented that over 750 KW right now, there is a penalty. If over, the user faces a higher rate. Over 750 you pay \$0.05 KW vs. \$0.034 KW. He noted that he has seen an increase in the numbers of people installing electric heat. Chairman Moffa opined that we need a rate structure that has disincentives for usage and encourages production. Mr. Dolmatch suggested it was a 3 pronged approach: incentives for producing power, time of use bias, and incentives for reducing and penalties for excessive usage.

Chairman Moffa noted that the European Union's 20/20/20 target by 2020 plan has goals of a 20% reduction in consumption, a 20% reduction in greenhouse gas emissions, a 20% contribution of production from green alternative energy – all by the year 2020. He believes this is perfect for us.

Chairman Moffa said that with the identification of annual expenses, the Board could look at the bottom-line profile of expenses graphically and compare it to the rate structure to see if it warrants steps, such as making an effort to reduce our peaking cost; which makes up over 40% of our annual bill.

Mr. Dolmatch said that his review covered operating property statement 2006 – 2013, and that principal maintenance outlays totaled \$857K (including the new line truck but excluding the \$717K cost for meter replacement) or \$107,000 per year. That included poles, towers, fixtures, underground conduit, overhead conductors, transformers, street lights, etc. DMO said that there had been no major capital projects, except those paid for by developers.

Prior to the next meeting, the Board Members agreed to review and offer suggestions on the goals, objectives and Section 5 projects as requested. Comments should be directed to DMO Lotkowitz – he will handle their compilation and dissemination to all participants.

At this point, Mr. Dolmatch indicated that he would find it necessary to leave because of another commitment. He intends to have a complete final draft by the Board's May 28, 2014 meeting. Mr. Dolmatch left the meeting at 7:45 pm.

Climate Action Plan – Chairman Moffa and DMO Lotkowitz introduced Chris Carrick, Energy Program Manager for the Central New York Regional Planning and Development Board. Mr. Carrick noted that all members have received a copy of the final draft for review and explained that his Board serves Onondaga and the 4 surrounding counties providing advice and assistance in the areas of economic development, community development, transportation planning and the energy program. Mr. Carrick observed that with a review of the Joint Comprehensive Plan underway, that the Town should be encouraged to sign on to the Climate Action Plan.

The development of this Climate Action Plan was funded through a grant from the US Environmental Protection Agency through the Climate Showcase Communities program, one of 50 communities to receive funding, and have been helping 7 communities in the CNYRPDB region. Some of the funding was for implementation of a clean energy demonstration project; for Skaneateles, that was the new Village Hall. In 2009 the Village adopted the State's Climate Smart Community Pledge, a voluntary program for efforts toward reducing the energy footprint.

The project began in 2010 with the announcement of the award. Data collection took place during 2012 to compile the greenhouse gas inventory, and the demonstration project began in 2013. The final remaining step is for the Village to adopt the Climate Action Plan.

Mr. Carrick reviewed some statistics from the greenhouse gas inventory:

- Municipal operations account for only 3 % of all emissions
- Residential activity is a greater emitter than commercial activity
- Both are greater emitters than transportation activity
- The inventory used metric tons as the measure of emissions and converted into a carbon dioxide equivalent.

Mr. Carrick described the development of the plan. SUNY ESF student interns were used to prepare the inventory. The Advisory Committee established targets of a 50% reduction from municipal operations and a 20% reduction from community operations by the year 2030. Then the CNYRPDB developed a strategies summary document to yield the reduction goals. Mr. Carrick then reviewed some of strategies, noting that each has a description, base-line figures, case studies and estimates of co-benefits. Implementation will take some further work. Each sector has the same layout. The objective is to have the Board look at this document by the next meeting with the expectation that it will make a positive recommendation to the Trustees. DMO Lotkowitz noted that this is intended to be a living document. Mr. Carrick agreed, stating that updates might be made from time-to-time.

Mr. Carrick said that by applying the various strategies to the data, it is estimated that municipal operations may achieve a reduction of 49.3% in emissions, very close to the 50% goal. The expectation for the community is an 8.7% reduction, only about half of the goal. Advisor Dienst asked if they have made an estimate of program costs. Mr. Carrick responded that in Madison County the 'Solarize' program quadrupled the number of PV installations in the county with a payback of 6-7 years. Chairman Moffa would eventually like to have neighborhood meetings. Advisor Dienst noted that conservation is the most efficient program. It was noted that the current NYSERDA incentive runs about \$1 per watt, and that an existing Village program provides bonuses for refrigerator replacement.

The Board discussed the Charge NY charging stations proposed to be installed just east of the Village Hall. Up to 4 stations are to be provided for electric vehicles.

The next steps were agreed to be (1) adoption of the Climate Action Plan by the Village Board, (2) promote the plan on the web site, in flyers and education, (3) neighborhood meetings and (4) implementation of additional projects. CNYRPDB will be our partner. The Board will review the plan individually and forward comments to DMO to be collected for Mr. Carrick.

AMR – Mr. Abbott reported that the department is working on installs now that spring is here. Most of them are in the Downtown District with the stores.

URD service for Fennell/Jordan – There has been some discussion with Tom Touro of CHA. While we have some estimates for the Village work, we do not have Time Warner Cable and Verizon on board. The Village expects it would have to pay for residents’ connections to the UG feed.

Parkside Section 4 – Mr. Abbott reported that he had UFPO requests for two lots in the new section.

Water System Plan – DMO Lotkowitz reported that he had held a pre-construction meeting with the contractor and major stakeholders. Highlander Construction expects to start the week of 4/14/2014 with a project duration of 5 weeks.

New Village Hall – DMO Lotkowitz reported that we are producing electricity – today we generated about 300 KWH.

Demand Response - DMO Lotkowitz and Advisor Dienst will do their review of the competing proposals sometime in early April.

Resolution for MEUA April Meeting – After general discussion about availability, **Member Blackler said, “I move that we recommend the naming of a delegate and alternate to represent the Village at this meeting.” Chairman Moffa seconded the motion.** Upon the unanimous vote of the members present in favor of the motion, it was declared passed.

Next Meeting – After discussion, the next meeting was scheduled for Wednesday April 23, 2014 at 7:00 pm.

On motion of Comm. Blackler, seconded by Chairman Moffa, the meeting was unanimously adjourned at 8:04 PM.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards

