

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – January 26, 2017**

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

Absent: Advisor Dienst.

Chairman McQuaid called the meeting to order at 6:00 pm and explained the plan for this evening's meeting.

ADMINISTRATION

MB Membership Engagement. Chairman McQuaid and the Board welcomed Comm. Tom Elliott to the Board. Comm. Elliott has an extensive background in the electric utility industry. He is currently in the electrical estimating department at National Grid, primarily doing large-scale network construction project estimating.

Minutes. On a motion by Chairman McQuaid, seconded by Comm. Palmer, the Board on a vote of 4 – 0, approved the minutes of November 28 as presented and acknowledged the notes from the meeting of December 22, at which there was not a quorum. Comm. Elliott abstained.

Project Prioritization, Planning & Scheduling. Chairman McQuaid stated that this topic will be the subject for a Board work session to be held immediately following the formal meeting.

ELECTRIC UTILITY

DMO Harty handed out the utility financial report which had been previously distributed to the members.

DMO reviewed the second year of the NYMPA-sponsored comparison report, which benchmarks several financial and operating measures for municipal utilities. Skaneateles shows a strong cash position, which is good because our assets are aging. DMO Harty reminded the Board that as an enterprise fund, the Village has not traditionally established a formal budget for the electric utility. Consequently, there is not a plan for regular replacements of utility assets on a planned basis. DMO asked that she and Comm. Elliott dig into the Electric System Master Plan and establish a proactive plan for asset management replacements.

DMO said that she is finalizing reliability and availability reporting to highlight potential weakspots.

In response to a question from Comm. Blackler, DMO Harty reported that recently the Village did lots of tree trimming and several takedowns recommended by both utility line clearing needs and in response to Tree Board recommendations.

Major budgetary expenditures will be the substation project, ongoing conversion to LED street lights and the conversion of additional electric meters to the L&G platform.

NYMPA/MEUA

Chairman McQuaid and DMO Harty attended the NYMPA/MEUA special Joint meeting to address the Clean Energy Standard requirements for additional payments to the State.

The RECs (Renewable Energy Credits to fund wind & solar projects) rate will be significantly lower, due to lower availability of qualifying credits through NYSERDA. Our total annual estimated cost, Village wide, is \$300. The ZECs (Zero Emission Credits to subsidize nuclear power) will cost Village ratepayers about \$10,000 per month. NYMPA will buy those credits from NYSERDA on our behalf.

The Board will consider and decide on a customer communication plan at its February meeting; Comms. Palmer and Rhoads think aggregation into the PPA is a better vehicle rather than a separate line item on the bill. Additional feedback should be provided to DMO Harty.

We are close to signing a renewal term sheet with NYPA, which will extend our base hydropower access to 2040.

WATER UTILITY

We still have an operator vacancy which has a beneficial effect on the expenditure levels, but is not sustainable long-term.

The Village did experience a turbidity event which DMO reported to the Board. Since it did not extend into two calendar days, it did not hazard our filtration waiver.

GHD is finishing survey work for the water main project. There may be an opportunity to time our street restoration work to take advantage of planned DOT paving activity.

The Water fund continues to grow; we will need reserves for additional water main replacements.

SEWER UTILITY

Sewer Fund has turned around and is in good financial position. This Fund was able to make its EFC bond payment in December and will be able to cover its General Fund repayment in April. This fund also is benefiting from the current reduced staffing level. We have engaged some outside support services for the interim.

SUMMARY OF ACTION ITEMS

- Develop the communication plan for ratepayers regarding REC and ZEC implementation by the February meeting.

Meeting Dates. The regular February meeting will be held on February 23, 2017.

On a motion by Comm. Palmer, seconded by Comm. Elliott, the Board unanimously adjourned the meeting at 6:30 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards

