

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – February 15, 2018**

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

Chairman McQuaid called the meeting to order at 6:03 pm, and recapped the revised agenda format. The intent is that the Board not duplicate information that is currently being reported in other Village meetings or written reports.

ADMINISTRATION

Minutes. Upon motion of Comm. Blackler, seconded by Comm. Elliott the minutes of the November 30, 2017 meeting were unanimously approved as submitted.

Project Prioritization, Planning & Scheduling. The project priority list will be reviewed as part of the budget cycle. The Board might schedule a separate meeting prior to March 22 to review it. Comm. Rhoads recalled last year's discussion regarding a plan for the sewer asset; he would like to see the \$30K budgeted for long-term capital plan for sewer carried to next year's budget. Chairman McQuaid sees a similar needed undertaking for electric. She asked that Comm. Elliott's analysis of prior electric system studies be added to priority list.

Staffing. Regarding the deputy DMO job, DMO Harty reported that some 46 applications have been submitted; 8 applications were ranked and 4 candidates were selected for telephone interviews. Of those, two are being invited for face-to-face interviews and have been asked for writing samples. One candidate, currently in Baltimore, has considerable municipal utility experience. The other candidate, from the Hudson Valley, has consulting experience in both large-scale waterline replacement projects and in waste-water treatment plants. Trustee Stokes-Cawley, Chairman McQuaid and Comm. Rhoads will be doing with initial interviewing for the Board. DMO Harty mentioned that the ability to work with staff and communicate with residents are major desirable attributes. DMO Harty expects that organizationally she will have this position in charge of water and sewer utilities.

UTILITY HIGHLIGHTS

ELECTRIC

Utility Financials.

- **Financials** -- DMO Harty reported that the electric fund remains healthy and stable. She described the new work order system and inventory management system in place. DMO is enthusiastic over these capabilities. A future program will seek to develop a preventative improvement action plan based on annual inspections.
- **Agencies Notices – NYMPA/MEUA – Updates.** January had a cold snap that caused a pop in rates due to purchased power. DMO Harty explained that our purchases from NYMPA were at prices well below spot market prices. Comm. Rhoads suggested and the Board briefly discussed the potential for an extremely high use residential customer to relocate here because of low rates. The example used was using a supercomputer for Bitcoin mining. DMO said our 400 Amp maximum size of service entry will throttle use. Tariffs might need to be tweaked.
- **Customer billing/Regulatory notices** – No comment at the meeting.

Operational Projects –

- **Storm Assessment.** No comment at the meeting.
- **Substation.** Substation remains a 2Q activity. Pole layout was designed within the safety zone and must be relocated. Redesign is to be done by CHA at no cost to Village.
- **AMR Deployment.** No comment at the meeting.
- **LED Street Lighting.** No comment at the meeting.

WATER

Utility Financials. The water fund is tracking where it was expected to be. DMO Harty reported that next steps are developing the annual budget with new debt service associated with the capital project; developing the method of handling the projected slight deficit; and performing the needed rate analysis to establish new rates for Village residential users and for the Town water districts. There is a dramatic imbalance between the proportion of revenues received from the Town and proportion of water consumption by Town users. The last rate discussion was some 10 years ago and led to a political decision on rates which was “contentious”. History has shown that the meters are accurate – any discrepancies reflect water being lost in the Town system. DMO Harty is hoping to have a discussion at the March meeting that will result in a recommendation to the Board of Trustees.

Water Main Capital Project. The water main capital project is 90% complete on design. County Dept of Health has approved the project. Drawings need to be forwarded to the State DOT for permit review.

Blue-Green Algae. The blue-green algae treatment evaluation project is kick-off meeting has taken place; there is no current update from GHD.

Cyber-Security Assessment. No comment at the meeting.

Meter Reading Conversion. No comment at the meeting.

SEWER

Utility Financials. The FYE 2017 Sewer Fund audit highlighted the fact that the sewer fund does owe \$120K to the General Fund, which is being repaid in annual installments. The Fund is currently favorable at \$180K balance which should be at \$140K by the end of the fiscal year due to required payments of fixed costs that occur late in the year. The auditors would like to see the inter-fund liability cleared this year. Comm. Rhoads disagrees; the sewer fund should be making necessary investments in sewer fund assets. Comm. Blackler noted that the Municipal Board made its recommendation on the repayments of this amount some time ago—we should stick to it. Chairman McQuaid asked what is the tipping pain point in evaluating utility operating finances, and suggested including audit accountability tools. With regard to similar borrowings in the future, the sense of the Board is that the Municipal Board recognizes that long-term inter-fund borrowing should not be a financing tool generally available to Village utilities. Comm. Palmer observed that the current financial markets' interest trends would suggest that borrowing is best done sooner rather than later.

DMO Harty complimented Operator Nofzell on a great job in reducing sludge volumes. Comm. Palmer noted that he has been freely networking with other operators to gain operating insights.

Meeting Dates. The Board reaffirmed that the March 2018 meeting will be March 22, 2018. DMO Harty will propose a special work session for budget matters if necessary.

Upon motion of Comm. Palmer, seconded by Comm. Elliott, the meeting was adjourned at 7:03 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards