

**VILLAGE OF SKANEATELES
MUNICIPAL BOARD
MINUTES OF REGULAR MEETING – April 17, 2018**

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

Excused: Commissioners Blacker and Elliott

Chairman McQuaid called the meeting to order at 6:03 pm.

ADMINISTRATION

Minutes. The Board was unable to approve the minutes of March 22, 2018 since only two of the members present were in attendance.

Project Prioritization, Planning & Scheduling. DMO Harty said that priorities have been considered in developing the budgets.

Staffing. DMO said that Miranda would be assuming the deputy DMO position on June 18.

Budget recommendations for water fund. DMO Harty presented summaries of the proposed water fund budget, remarking that there were no major changes from the materials covered last month. She reviewed draft projected revenues and expenses and recapped several of the line items and the recommended budget treatment.

- Engineering costs (Water Administration) are reduced in magnitude since the Village doesn't envision doing another major study like blue-green algae treatment options.
- Operations & Maintenance expenses, as a category, are projected to be lower by \$27K year over year.
- Pumping upgrades will be part of any capital project, rather than operating expense.
- The water fund will absorb 50% of the salary and benefits for the Deputy DMO position. Salary and benefits will be apportioned between water and sewer.
- Debt service increases by \$61K due to the water main capital project. One previous debt service obligation of \$28K per year will be retired in two years. The debt service obligation for UV treatment of \$71K per year will be retired in five years.
- With projected revenues held constant, this budget will produce a fund balance deficit of some \$267K for next fiscal year.

- DMO Harty suggested that the Board recommend adoption the budget anticipating that a water rate increase will be recommended during the year. She said there is \$20K included for an engineering rate study.

Member Palmer asked for a recap of current rates. DMO Harty replied that there is a flat fee of \$6.99 per month and a usage component per cubic foot, and a per cubic foot debt service component. Member Rhoads noted that even with no increased revenues, that the fund would have a remaining fund balance in excess of \$300K. Member Palmer asked if the Village could expect significant improvements in water losses? DMO Harty said it would be a negligible improvement, since water losses are so small. **Upon motion by Comm. Rhoads, seconded by Comm. Palmer and unanimously approved, the Municipal Board recommends to the Board of Trustees that it adopt a \$267,000 deficit Water Fund budget for the 2018 – 2019 Fiscal Year and further recommends study and implementation of a water rate increase during the fiscal year.**

Budget recommendations for sewer fund. In discussing the sewer fund budget, DMO Harty noted that the current \$239K fund balance, after debt service payments to be made in May, should end the year with a balance of \$200K. The biggest change is the inclusion of \$40K of the \$41K increase for I&I related projects (cleaning, televising and slip lining). The \$30K engineering cost for the WWTP engineering facility report is continued to the new budget. DMO also noted that existing debt service will be retired in two years, as will the obligation to repay the General Fund. Two major I&I fees (roughly \$75K) will be received this year, to fund capital projects and engineering studies. Sludge handling is likely to undergo some changes as a result of rising disposal costs driven by the movement of waste from NYC to upstate landfills. Comms. Palmer and Rhoads explained that some municipalities are using composting (which requires significant vacant land), or anaerobic digestion (which produces methane gas and carbon dioxide as byproducts). Incineration of sludge is no longer practical in the current regulatory climate. Comm. Rhoads believes that at some point the Village will require alternatives. **Upon motion by Comm. Palmer, seconded by Comm. Rhoads and unanimously approved, the Municipal Board recommends to the Board of Trustees that it adopt the proposed Sewer Fund budget for the 2018 – 2019 Fiscal Year.**

General Board Feedback.

- The Board is generally pleased with the current format and conduct of the meetings. Trustee Stokes-Cawley anticipates increasing involvement by the Board.
- Trustee Stokes-Cawley reported that a proposed revision to the Zoning code would give the Municipal Board an advisory role to the Planning Board in the issuance of Critical Impact Permits, especially on infrastructure and capacity.
- DMO Harty reported that she has investigated the concerns raised previously by Comm. Rhoads regarding Bitcoin ‘mining’. Her determination is that any sort of electric-power intensive cryptocurrency operations would find our tariffs to be punitive. Operators are also much more likely to seek other hydropower communities because Skaneateles does not have an abundance of low cost and available real estate for rent, with high capacity electric service entrances.
- At the MEUA meeting, the State’s greenhouse gas and renewable energy targets were discussed. Chairman McQuaid said that the PSC was looking at a ‘value stack’

(distributed energy resource rate design) as a replacement for net metering. DMO Harty concluded that the targets for renewable energy will be difficult to meet without structural changes such as carbon pricing for wholesale energy. She also heard that the greenhouse gas targets cannot be achieved without a 50% market share for electric vehicles by 2025. There was an electric car demo at the meeting. Member Palmer noted that subsidization of that technology is still required to achieve market penetration. To greatly expand the numbers of high capacity charging stations may require the Village to upgrade its distribution plant. Further, the availability of clean energy is insufficient to offset the carbon footprint. Comm. Rhoads questioned how the Village can recover its costs associated with providing intermittent peak demand from those who require it.

- The Board welcomed Marc Angelillo as its newest member.
- The NYMPA Annual Meeting will be held May 30. Chairman McQuaid will be the Village's delegate.

Electric Utility

Customer billing. The proportion of charges associated with RECs and ZECs is increasing. These now represent 5 – 10% of the PPA charge.

Operational projects.

- **Storm Assessment.** Comm. Rhoads asked if the Village were insured against damages? DMO Harty said that we are not; outages related to storm damage are an operating expense. DMO will query other munis to see what protection measures they might have implemented. Chairman McQuaid thought it might roll into the next rate case.
- **Substation.** No comment at the meeting.
- **AMR Deployment.** No comment at the meeting.
- **LED Street Lighting.** No comment at the meeting.
- **Other.** Comm. Rhoads asked about the long-term plan for staffing levels, observing that current numbers seem lacking. DMO Harty acknowledged that the Village is way too lean. She responded that she would like to add one person on the water side. Additionally, the need exists for a couple of linemen, but she is reluctant to move forward until the proper managerial and reporting structure is put in place. The Village also replaced backyard poles and conductors in Lakeview Circle, and significant numbers of pole replacements in East Genesee Street.

Water Utility

DMO said that the water project is pending for DOT permits and the Village should be advertising for bids in May. The draft Cyanotoxin report has been received. This year the

Village will work under extended chlorination, while 2019 requires an upgrade to the water plant, projected at \$2.6 MM for a granular activated carbon system. The Village will seek WIIA grant funding. The Board will schedule a special meeting with GHD for private discussion for May 8, 2018. Watershed protection is great, but public protection is mandatory.

Sewer Utility

DMO reported a major sewer lateral break on East Lake Street, the deepest sewer in the Village. She intends to pursue slip lining in this area..

Meeting Dates. The Board will adopt a new regular meeting schedule, choosing the 4th Tuesday of the month at 6:00 pm. The May meeting will be held on May 22, 2018 at 6:00 pm.

On motion of Comm. Palmer, seconded by Ch. McQuaid, the meeting was unanimously adjourned at 7:08 pm.

Respectfully submitted,

Dennis Dundon, Clerk to the Boards