

**Date:** 26 Feb 2019

**Time:** 1800

**Location:** DMO Office

**Attendance:** DMO Shannon Harty, DDMO Miranda Robinson, Chairperson Mary Ellen McQuaid, Marc Angelillo, Tom Elliot, Walter Blackler, Trustee Carol Stokes-Cawley,

**Meeting called to order at 1807**

Chairperson McQuaid opened the meeting by noting that our meeting would follow the new format as discussed at the January 2019 meeting. There are no further meeting minutes approvals required. Meeting minutes will be distributed within the following week. Today's meeting is going to focus on the Electric Department.

Updates on other departments before detailed electric discussion:

**Sewer Department** – The Village has submitted comments on the Draft SPDES Permit. We are now waiting for DEC to respond and provide final SPDES permit. RFQ is on hold until final SPDES so we understand the scope of facility needs.

**Water Department** – There was a brief update on the waterline project status. There are materials and equipment that have been delivered and staged on Fennell Street. The project will be starting next week with tree takedowns. This month's utility bill will have a summary the project scope and schedule on the back to inform residents the project is coming up. There was discussion about tree notices – have those residents been notified? DDMO Robinson noted those letters went out weeks ago and she is coordinating the trees with residents and the tree committee. The project budget includes funds for removal and replacement. There needs to be a place for people to get information. DDMO Robinson is working with the Village office to get an update page set up on the Village website. Format will be similar to HAB webpage. Weekly PDF summaries will be prepared by DDMO and submitted to Village office to be posted. Operations is also looking into getting a project sign to be posted in Clift Park (or some other location in the center of the Village). Signs on each street would be too cluttered.

OPS has been created an email ([ops@villageofskaneateles.com](mailto:ops@villageofskaneateles.com)) to receive complaints and issues for the operations department. Email is currently going through a demo cloud-based Ticket Help Desk program (zendesk.com) to help manage the tickets.

**Electric Strategic Plan Discussion:**

DMO Harty presented the draft 2019-2020 Strategic Plan. DMO stated this has been a good exercise in reviewing Allan Dolmatch's 2014 Draft Electric System Master Plan (ESMP) and the 2012 CHA report. The goals from the ESMP are summarized on page 1 of Strategic Plan. A lot of those goals, like renewable energy reduce demand peaks, reduce disproportionately high usage, and reduce carbon footprint, require a modification of the current PSC rate tariff. As discussed in September 2018, a rate case with PSC requires 3 years of financial data so these initiatives require addressing the accounting

issues to move forward. Other initiatives focused on planned asset replacement, improved system maintenance, reduction in energy usage, improved system capacity, and improved aesthetics. These goals are in line with stuff we have been doing and are targeting doing! We have been replacing a lot of poles throughout the Village (East Genesee street, Lakeview circle, Hannum streets) and recabing East Genesee street to improve capacity of western feeder. Continuation of capital replacement is contingent on cashflow projections. THE L+G AMR system has the capabilities to get the data we need to support the ESMP goals – we need to finish migrating all meters to it. We need to have accounting reports to determine where to go next. Page 2 of Strategic plan highlights key goals for 19-20:

- Improve financial records and accounting process – need this to have a BUDGET for the light department, for capital planning, and the long term records for PSC rate case – Board discussed that this is top priority.

Marc Angelillo asked about the status of the accounting issues discussed in September. He understands Roben's replacement (Tracie Noda) has been hired and wanted to know if the replacement had accounting background. Yes, she does. She started two weeks ago and is working her way through getting familiar with the Village and doing utility billing. Mary Ellen would like a time frame, schedule, and estimated cost for priority projects. How can we categorize the types of projects (funding wise) and when they will be executed? How can we break down the information so that it could easily be shown and then developed that the VB could understand. How can we update that? She would like to see a "one-page wonder" – simplified presentation for Municipal and Village board to track from. MaryEllen expressed concern that we do not have the basic financial records. Conversation resumed to goals.

- Identify and Capture Lost Revenue – DMO Harty discussed that she wants a plan to ensure all power purchased is accounted for and sold. Need to make sure all meters are functioning, need to review pole attachment agreement. Need to get all electric meters on L+G AMR system to streamline billing and make sure billing is accurate. Need to develop a process for auditing utility billing. Increasing revenue will help offset projected increased operating costs identified/anticipated because of the Action Plan.
- Decrease Operating costs – continue energy efficiency projects to reduce purchase power, reduce system loading, continue with asset replacement (as financially possible), and energy projects with customers.
- Develop System Wide Maintenance Plan – we have/collect all sorts of data (thermal imaging inspections, feeder stray voltage testing, substation maintenance), AMR metered usage. Need to develop a better system to collect and analyze the data to make better decisions on what infrastructure needs to be replaced
- Develop information/understanding of energy usage profile – L+G AMR can be used to collect the data to understand what customers are using power and when – this can help for future rate case if we adopt a rate structure as recommended by ESMP.

Marc Angelillo -What percentage of our Electric customers are not AMR'ed? 5.25% There are currently only 85 non-AMR'ed meters of 1,600 total. AMR meters - 1,000 are on L+G, 500 on Sensus. We have the meters in stock to get everyone on L+G. L+G meters were very helpful to analyze transformer

capacity for the Elephant & Dove upgrade. Used meter data to see that current usage plus projected increase was going to exceed capacity so we needed to upgrade. Walt Blacker asked if that upgrade is back charged to a customer – yes it is.

DMO Harty moved to Page 3 to discuss what the key initiatives/projects are going to be for the coming year. Projects are broken into two categories - Financial improvements and Operational Improvements. DMO Harty explained that accounting needs to be corrected to get better financial reports to get a budget to understand how much can be spent on capital investment. In the meantime, there are things the Operations can do to work towards goals without major capital investment.

**Financial Improvements** – Need to develop standard account coding – this has to be coordinated with the Village Office. Operations will continue to develop CPR software – not online yet so old accounting process is still in place. Systems will be in parallel for a while. Need to audit billing to make sure we are billing as much as possible. We need to have a budget for the electric department and need to develop standard financial reports for the municipal Board. MaryEllen stated that is something she has always questioned – the lack of a budget for this department. Walt Blackler stated that we have never budgeted the light department. Need to be comparing power purchased to sold on a monthly basis. MaryEllen asked how to do map that? How do you compare power purchased versus power sold? Is there some way to track that in utility billing software? DMO is not sure – that is something that will need to be worked out with new billing clerk when she is settled in.

**Operations Improvements** – Staffing is top priority. Had great candidates for the line leader but can't meet their salary requirements under current union contract. This is a universal issue with several other municipal electric systems. Need to re-negotiate union contract to pay more. Need to fill vacancies ASAP and also start thinking about succession planning. Both current linemen will be gone in a few years.

**L+G AMR system** – need to get all meters on to L+G. Once that's done, we need to update the data base to track transformer load, circuit loading, analyze customer usage, target customers for energy efficiency. This information is necessary to help make better decisions like transformer replacement/upgrades. Walt asked what happens now when a transformer is overloaded – how do we know that is happening? It fails and results in an outage. We can do thermal inspections to see if it's getting hot but that is a spot inspection. Using meter data will help provide real time alerts of where the issues really are.

**Energy Efficiency** – Need to complete the rest of the LED street light conversion. Evaluate village facilities for energy efficiency opportunities. Working on an LED upgrade at Firehouse right now. Can we identify customer projects?

**System Wide Maintenance Program** – DMO Harty discussed that new standard forms and a database need to be developed to track and analyze system issues. Have the 2018 HMT inspection report that identified maintenance needs at the Genesee substation.

**Capital Investments** – list is based on CHA priority project list. Need to continue replacing utility poles and upgrading cabling in feeders. We have done some of the upgrades but we have had to use Groton to help. Need feeder ties/interconnections to improve system reliability. No current ties between Jordan and Fennell – east and west side of Villages are islands. Need to address under capacity transformers – how many are there? Unknown and don't have a priority right now. Need data to make informed decisions on where to invest in asset replacement and upgrade. MaryEllen commented that these projects need to include high level cost estimates (shot in the darks if necessary) to be able to gauge magnitudes. This is a brilliant report but is there some way to turn into a web diagram? Can we include the dates of when they will be implemented? DMO Harty indicated scheduling major capital investments hinges on financial reports and cashflow projections. Marc Angelillo stated that the accounting needs to get addressed – what is holding it up? Trustee Stokes-Cawley agrees – she stated that the gal from BST has been sick. A cash flow forecast needs to be done before we determine what projects we proceed with.

Trustee Stokes-Cawley asked what the priority project list would be. It's pages 3-4 of plan. Trustee Stokes-Cawley asked about Goal # 2 on page 2 – "Provide alternative feed to village grid." Where is this coming from? It was regarding renewables – solar, wind, etc. What about the Fennell Street Substation? Can it sit there and be okay? It is actually energized just not loaded. It's in the same state it was in down in Bath before it came here. MaryEllen asked what capital projects should get done first? Walt Blackler would like to move the substation on the priority list.

We need the accounting done. Marc Angelillo stressed that accounting needs to get prioritized. Board has already done that at the September and October meetings.

The Board asked DMO Harty to look at other Municipal Electric Departments and if we could pool staff.

DMO Harty - we are tackling the Landis and Gyr meters in the next month.

MaryEllen requested that DMO Harty provide the board with a revised format of the plan with summary of actions to be taken, HLE, target completion, and what requires financial records.

MaryEllen requested the Board vote on the strategic plan.

Motion from Tom Elliott that the plan is complete with need for target identification, and the intent for providing the ONE PAGE WONDER for the Village board. Motion was seconded by Walt Blackler. All in favor.

Walt Blackler motioned to adjourn, Marc Angelillo seconded. All in favor. Meeting over 1919

---

The goals and initiatives for the coming year are developed based on the 2012 CHA System Inspection Report and the 2014 Electric System Master Plan (ESMP), as developed by Alan Dolmatch. The ESMP had nine (9) goals for the SELD as noted and summarized below.

1. **Improve system reliability** – Main initiatives were to replace system elements approaching or beyond the end of their useful life, developing secondary or loop feeds for village circuits, establish secondary power source within the Village, reduce exposure to damage from weather
2. **Improve system security** – provide alternative feed to Village grid, place vulnerable system elements in secure enclosures and underground
3. **Increase capacity to accommodate increased demand** – develop and/or utilize renewable energy sourced to supplement conventional power supply, provide switching capacity to shift loads between circuits, replace/upgrade circuit cabling and equipment that is restricting capacity
4. **Reduce demand peaks** – Identify customers for peak load reduction and off-peak usage, evaluate rate restructuring to shift demand and provide incentives for peak demand load shaving
5. **Reduce disproportionately high usage by individual customers** – Restructure tariffs to increase cost of power for above average usage for specific types of occupancy or activity, identify types of applications that require high power consumption and evaluate the impact and means to mitigate usage
6. **Reduce transmission losses within the Village** – Replace under-capacity primary cabling in all circuits, reallocate loads within in circuits so that large users are at the head and not the tail end of the circuit, replace thermally inefficient transformers
7. **Reduce system maintenance costs** – Develop a system wide preventative maintenance plan, conduct periodic system evaluations for potential system problems, repair or replace components before major failure or service interruption
8. **Improve village appearance and real property values** – Negotiate pole ownership agreements to enable the Village to take powerlines underground, place overhead lines underground in areas where real property value can be increased by such action, relocate overhead lines away from valuable street trees, screen electrical facilities and/or large equipment from vistas.
9. **Reduce the Village's carbon footprint** – Develop solar and wind power generating facilities on village-owned or leased land, stimulate disperse power source development (microgrids) on private land and purchase excess for re-distribution, explore, and when feasible, implement a process to convert wastewater treatment plant solid and gaseous by-products into electrical power.

The goals highlight above were tied to capital investment into the distribution system, improved system operations, energy reduction/load management, alternative/renewable energy supply and modification of current rate tariffs. Initiatives over the past 5 years have moved the SELD towards realizing those goals including the upgrade of the electric AMR system to provide enhanced customer usage data, LED light conversion to reduce system peak usage, pole replacement and cabling upgrades throughout the Village, use of thermal imaging to identify potential issues and troubleshoot system interruptions, and procurement of secondary substation equipment for alternate feed. Recent efforts under the Electric Action Plan, have further identified financial and

---

accounting goals and initiatives required to support the goals and initiatives of the SELD. The financial records for the SELD are the basis for major capital investment planning, budgeting and cash flow projections, and documentation necessary for a rate case to the NYSPSC. Based on this, the general goals for 2019-2020 are:

- Continue to improve financial records and accounting processes to establish information necessary for budgeting, capital planning and long term records required for NYSPSC rate case
- Identify and capture lost revenue/increase system income to offset anticipated increases in operating expenses and capital investments
- Continue efforts to decrease system operating costs through energy efficiency improvement programs, component upgrades, and energy efficiency projects
- Continue to develop the System Wide Maintenance Plan
- Continue to develop information/understanding of energy usage profiles

---

### 2019-2020 SELD Key Initiatives/Projects

Key initiatives for the year will be projects that target SELD financial reporting, increase system revenues, decrease operational expenses, improve system operations & maintenance and develop a better understanding of the electric system energy usage. Major capital investments in the system will be evaluated once financial data is available to prepare accurate cash flow projections.

#### 1. Financial Improvements

- a. Accounting Processes
  - i. develop standard accounting codes for accurate transaction tracking
  - ii. continue to develop and implement Continuing Property Records software to track fixed assets and system inventory
  - iii. develop utility billing audit system to identify and capture unbilled/unmetered usage
- b. Develop Departmental Budget
  - i. Develop standard financial reports and metrics to monitor departmental income and expenses
  - ii. develop a month report to compare power purchased versus power sold

#### 2. Operational Improvements

- a. Staffing
  - i. CSEA – Linemen wage rate negotiations
  - ii. Line Leader vacancy
  - iii. Line Worker Helper
  - iv. Additional staffing needs – succession planning for upcoming retirements
- b. L+G AMR Metering Upgrade
  - i. Complete the remaining the transition of 30% of system meters to L+G system
    - 1. Increase energy sales, decrease electric meter reading/billing expenses
    - 2. Improve meter billing accuracy
    - 3. Provide ability to access peak demand data and time of use for all customers (only AMR provided data only under commercial metering)
  - ii. Develop procedures to enhance L+G database to
    - 1. Provide detailed feeder load monitoring and management and provide alerts for potential cable overloading
    - 2. Evaluate transformer loading and provide alerts for potential capacity issues
    - 3. Develop process for evaluating customer usage data used for future rate case analysis (ie. Time of use rate structure, large usage customers, etc).
    - 4. Evaluate customer usage to enhance/develop energy reduction/efficiency projects

- iii. Energy Conservation Projects
  - 1. Convert the remaining street lights from HPS to LED (targeted completion 5/2020)
  - 2. Evaluate Village owned facilities for energy conservation projects
  - 3. Customer projects
  
- iv. System Wide Maintenance Program
  - 1. Develop standard inspection & report form for documenting/tracking thermal inspections of transformers, conductors, services, and underground infrastructure.
  - 2. Genesee Street Substation maintenance (based on 2018 HMT inspection report)
  
- v. Capital Investments
  - 1. System Upgrades based on CHA priority project list (scope dependent on cash analysis)
    - a. Ongoing Utility Pole replacement
    - b. Cabling upgrades – Finish East Genesee Street/Eastern Feeder
    - c. Feeder Tie/interconnection installation
    - d. Upgrade under capacity transformers
    - e. Fennell Street Substation