

MASSENA ELECTRIC UTILITY BOARD
MINUTES of Monday, June 26, 2023
Town of Massena Electric Department – 71 East Hatfield Street

Present:

James Shaw	Andrew McMahon, Superintendent
Charles Raiti	Jeffrey Dobbins, Treasurer
Richard Maginn	Matt Gray, Deputy Superintendent
John Bogosian	Margo Rochefort, Deputy Treasurer
Rene Hart	Patrick Facticeau, Town Liaison
Eric Gustafson, Attorney	Debra Willer, Town Liaison
	Michael Hewey, Intern

Chairman Shaw opened the meeting at 11:02 a.m.

1) APPROVAL OF MINUTES:

RESOLUTION:

The Massena Electric Utility Board hereby approves the minutes of the regular meeting of May 18, 2023 as presented.

Moved by John Bogosian - Seconded by Charles Raiti - All in Favor

2) OPERATIONS UPDATE: by Matt Gray, Deputy Superintendent

A. Safety: MED has not had a lost time injury since June 8th, 2022. The number of consecutive days without a lost time accident now stands at 357 days.

There were no reportable injuries in May. This brings the number of days without a reportable injury to 720 days.

Lou Gabrielle with NEPPA was on-site to present a Pole-Top and Bucket Rescue training for all Line personnel.

B. Customer Impact Chart: MED experienced 11,393 Customer Impact Minutes throughout the month of May. With this month's lower than average amount of Customer Impact minutes, the 12-month average has increased only slightly and is at 37,349.

C. Reliability: Throughout the month of May MED experienced nine calls. Of the nine calls, three calls affected no Customers, two calls affected only one Customer and six calls affected more than one Customer. Six of the nine calls received contributed to our monthly CIM total. The largest CIM contributor was due to a tree contact on South Raquette Rd that affected one-hundred five Customers for ninety-two minutes. The second largest CIM contributor was due to a tree contact on Fregoe Rd that affected twenty-two Customers for forty-five minutes. The remaining CIM contributing calls were routine in nature and involved minimal Customer impact.

D. Work Schedule: Crews have been addressing make-ready adjustments in relation to the fiber optic installation in the village. This project will encompass the whole village and parts of the Towns of Massena, Louisville and Norfolk.

Crews completed a project on Lacombe Rd that will provide a loop feed for the Plumbrook Rd area. The need for this new construction became apparent as MED was planning for the bridge replacement on Lacombe. With this new loop feed, the primary conductor adjacent to the bridge was able to be de-energized with no Customer interruptions and to ensure a safe work area for the County.

3) FINANCIAL REPORTS: by *Jeff Dobbins, Treasurer*

A. Write-Offs:

RESOLUTION:

The Massena Electric Utility Board hereby authorizes the write-off of bad debt totaling \$7,623.35 as audited by Mr. Rene Hart.

Moved by Rene Hart - Seconded by John Bogosian - All in Favor

B. Power Comparison Graph: Power cost were over \$365,000. Supplemental power costs were just \$26,575. 1,720 MWh of incremental energy purchased during May. Zone D Average Energy rate was \$15.45/MWh. Transmission expense - \$129,384. UCAP – Implemented by NYSIO to ensure there is enough generation available to meet load. Charged at a per kW basis to load and paid to promote investment in generation. NY load is at its highest during the summer. Charge for May was \$53,559 (9,900 kW x \$5.41 / kW). Rate during the winter is usually \$1.00 /kW. Impact to customers – PPAC for June of 0.08¢/kWh. MWh purchased, over 14,600, very similar to previous years. Typically purchase between 12,500-15,000 MWh in May. Peak demand for May was 26,690 kW, very similar to previous years. Set at 6:00 on May 31st, warmest day of month.

C. Cash Flow: The Operating Fund increased by \$489,880, increase was higher than expected. The Operating Fund at month end was \$7.0 MM. May receipts were \$1.28 MM. Customer payments remain steady as customers continue to pay down their winter heating bills. Still receiving L1-HEAP payments in May. Program extended to 5/19, 2nd extension of the program. Reimbursed work – received payments for make ready work being done for area Internet Provider. Interest revenue remains up due to the increases to the Federal Fund Rate. May expenditures totaled over \$791,600, this is \$188,000 less than budgeted.

D. Approval of Bills:

RESOLUTION:

The Massena Electric Utility Board hereby approves the bills as audited by Mr. Rene Hart totaling \$699,520.76.

Moved by Rene Hart – Seconded by Richard Maginn - All in Favor

4) COMMITTEE REPORTS: by *Andrew McMahon, Superintendent*

A. Personnel

1. Staff Update: Mr. McMahon reported that 1 employee is still out with a health issue but is expected back after the 4th of July.

2. Security Update:

Front office table top: Mr. McMahon and Mr. Dobbins went through the basics of what was covered with staff during the drill. The take away from the exercise was that we are doing most things correctly. There will be some areas of emphasis and the improvements to make in the front office in the coming months.

Mr. Raiti asked if there were any obvious changes that need to be made. Mr. Dobbins replied that since we do not keep a great deal of cash on hand there were no significant changes that would be required.

3. Summer Help: Our summer help has been working on a series of projects including analyzing our reliability data which will be presented to the engineering committee in the coming weeks.

B. Finance & Economic Development

1. Energy Efficiency Programs:

Treasurer Dobbins discussed two commercial credits. The first was related to lighting upgrades at a building in the industrial park. The customer had the audit done in 2022. Based on the 5-year electrical savings and cost of the materials the credit request is for \$5,000.00, the maximum credit under the program.

RESOLUTION:

The Massena Electric Utility Board hereby approves a commercial energy efficiency credit of \$5,000.00.

Moved by John Bogosian - Seconded by Rene Hart - All in Favor

The second credit discussed also includes a significant lighting upgrade at a local authority. An audit was performed at each of their locations and identified lighting improvements that would reduce consumption by over 280,000 kWh annually. Since improvements are being made at multiple locations, Treasurer Dobbins noted that the annual billings were reviewed when evaluating the total credit to this entity. Based on these billings and the focus of this entity is to assist low-income customers, the Finance Committee was recommending total credit of \$25,000. Treasurer Dobbins indicated that this customer met the criteria for receiving the credit as a reimbursement and would be submitting requests for reimbursement as they purchase the fixtures being implemented. As part of their reimbursement request, the customer would also be providing updates on the number of locations completed.

RESOLUTION:

The Massena Electric Utility Board hereby approves a commercial energy efficiency reimbursement not to exceed \$25,000.00.

Moved by John Bogosian - Seconded by Rene Hart - All in Favor

2. BST Engagement Letter:

Finance Committee member Hart informed the board that he and Committee member Bogosian had received a proposal for Auditing Services from BST for years ending 2023-2027. The existing engagement expired with the completion of the 2022 audit. Based on previous conversations with Bill Freitag from BST the new engagement included an opt-out clause for Massena Electric after 2025. Mr. Bogosian noted that the proposal indicates that Mr. Freitag will also be involved with the Audits at least through the 2025 audit and the audit team will include

Brendan Kennedy of BST as well. Mr. Dobbins noted he has worked with Mr. Kennedy on various accounting standard updates over the years, and that Mr. Kennedy works on the audits of other municipal utilities around the state.

The proposal also included some updated language required as part of the engagement. The committee will provide a copy to legal counsel for review, prior to requesting approval from the full board to enter into the new engagement.

C. Engineering & Energy

1. Cybersecurity: Mr. McMahon reported that the cybersecurity firm we are using, Dragos, was mentioned often and in a positive light in Seattle.

2. EAB extra work: Mr. Gray reported that we have made more progress than expected with the original approval of \$25k. This is due in part to the fact that most impacted properties have wanted to keep the wood. Mr. McMahon reported that he had lost track of the spend out on this project and had exceeded the original "do not exceed" number. Mr. Hart commented that it is evident that the community is being impacted by this disease and we need to continue to do the work. He then asked when federal funding might be available for this project? Mr. McMahon said the details of this section of the IJA still have not been released. Mr. McMahon suggested another \$25k be approved to continue addressing the largest problems until Federal funding becomes available.

RESOLUTION:

The Massena Electric Utility Board hereby approves an additional \$25,000.00 for EAB removal with Putney Tree Service.

Moved by John Bogosian - Seconded by Charles Raiti - All in Favor

3. NYSEDA Submittals: It is believed that both of our proposed projects will be approved by July. Mr. Bogosian asked for a brief description of the two projects. Mr. McMahon explained that one projects was a system study to determine what upgrades would need to be done if "beneficial electrification" was fully enacted. The second project has to do with expanding the existing water heater control project in an economical manner.

4. Grant Funding CAC/IJA/IRA: This was a subject of much conversation in Seattle. The primary holdup is that DOE do not have sufficient staff to get the money out the door in a reasonable manner.

5. Transformer purchase: Mr. McMahon noted that the transformer for the electric vehicle project to be added for a local car dealership has been ordered. Mr. Gray added that there are no more transformers available from any of our normal suppliers for the rest of the year. There was a discussion among board and staff that achieving beneficial electrification will be difficult until the supply chain issues are resolved.

6. Potential vehicle purchase: Superintendent McMahon noted that one small truck was order to replace one of the older ones still in use. The delivery date was still unknown and staff continues to look at options for replacing some of the older vehicles still in service.

5) LEGAL ISSUES: *by Eric Gustafson, Attorney*: Mr. Gustafson had no remarks for open session.

6) UNFINISHED BUSINESS:

APPA Seattle Conference Summary (Attached)

7) NEW BUSINESS:

NYPA Disaster Drill at SUNY Potsdam: Mr. McMahon shared a drawing which NYPA had passed out during the disaster drill. The drawing showed the flooding that would happen if there was a breach at Massena intake. The drawing showed the home croft neighborhood and our Grasse river and Massena village substations under water. Mr. Shaw asked if we he any more detail on how much water. Mr. McMahon explained that this was a general concern of the attendees. While the group in Potsdam discussed swift water rescue, the consensus was that we wanted NYPA to provide more detail because this could be an incredible disaster for the community as lives would be impaired by water, electric service would be compromised and water in the village would be impacted. Additionally, Alcoa would be significantly impacted.

Annual approval of TCC's: Mr. McMahon explained that our decision to decline TCC's the last 5+ years has been financially beneficial for our rate payers. This may change subsequent to the completion of the NYPA smart path project but for now we should continue to same approach. Mr. Shaw discussed the implications of the smart path but offered his opinion that he would absolutely support McMahon's recommendation.

RESOLUTION:

The Massena Electric Utility Board hereby authorizes Mr. McMahon to sign the TCC documents with NYISO, without asking for any contacts.

Moved by Charles Raiti - Seconded by John Bogosian - All in Favor

Substation Vegetation Management: Mr. McMahon and Mr. Gray explained the need for Vegetation management. Mr. McMahon said he was raising this issue as it was a former employee who runs the business and does the work. Mr. Maginn asked a series of questions to determine if the business owner had the proper permitting and proper insurance. After being assured that everything was in order Mr. Maginn lent his support.

RESOLUTION:

The Massena Electric Utility Board hereby authorizes spending up to \$6,150 on substation vegetation management.

Moved by Charles Raiti - Seconded by Rene Hart - All in Favor

8) ARTICLES OF INTEREST:

Mr. McMahon directed the board's attention to the article included in the packet which described Rochester's efforts towards municipalization of their electric service. This issue had led to discussion of an article by nyfocus on MED. The board discussed both articles and potential leveraging of the article on MED.

9) SCHEDULE OF EVENTS: Next regular meeting scheduled for July 20, 202310) PUBLIC COMMENT:

11) EXECUTIVE SESSION:

Motion to move into executive session at 12:13 p.m.
Moved by John Bogosian– Seconded by Richard Maginn- All in Favor

Motion to move out of executive session at 1:07 p.m.
Moved by Rene Hart– Seconded by Richard Maginn -All in Favor

Motion to adjourn at 1:08 p.m.
Moved by John Bogosian – Seconded by Charles Raiti- All in Favor

June 2023**APPA Conference Seattle WA.**

I had a number of scheduled activities of note and some unscheduled activities that proved useful.

Power PAC Board meeting. I am on the Board of the PAC. We received an update on contributions and where the contributions are spent.

Limited contributions that they try to split 50/50.

Opening session Tony Cannon who is our outgoing Board Chair.

Among the programs I attended were:

How not to lose institutional knowledge

This covered some processes that smaller utilities are utilizing to assure that retirements don't cause chaos.

Fostering Energy Literacy among Young People.

This covered a few new programs that are being used in schools (K-12). This was mostly a rehash of programs that I have seen before.

What we've learned about IJA funding

This was focused on potential sources of grant funding. At the time it did not seem too promising as one of the programs they focused on was PACES which is to deploy renewables and storage projects for communities which are under 10,000 residents. The speaker said there is a pretty hard line at 10,000.

Natural Gas

LNG is a big part of US Natural gas prices. US LNG ports were designed to meet US supply deficiencies – they were designed for importing. With fracking in the US and European supply issues caused by the Ukraine, the US is now looked at as a source. The next few months are going to have a big impact on injection in to storage. With the heat wave hitting the south, demand from Ukraine we may have problems next winter due to low storage levels.

Keeping your small utility secure

This gave me hope as it looked at physical security, cyber security and reliability. Not that we are fully protected from attack but that we are doing all of the prudent things we should be doing.

We had a series of speakers which were for the entire membership.

Andy Berke of Rural Utility Services.

He spoke about a number of RUS programs. Again, he spent time focusing on PACES described above.

Ron Insana of CNBC

We are deglobalizing – we are trading supply chain efficiency for supply chain security.

The new cyber threat landscape

The director of Cyber Security Morgan Stanley is being hacked. Of course we CAN be hacked.

Again, I think Jeff and Adirondack Tech are doing the right things. It is a moving target.

Vendor show and personal interactions

We had a number of useful conversations on EV, EV School busses, Economic Development and changing ISO markets.

We also spent a lot of time discussing Seattle and its reflection of our society. In plain English there was a great deal of apparent drug use and drug abuse. It would seem the social experiment of legalizing drug use is a horrible failure. It is a failure for businesses trying to succeed in the downtown area, it is a failure for tourism and community. Mostly, it is a failure for the people who have lost control of their lives. It was incredibly pathetic.

The most interesting a vendor I am familiar with pointed out that he was able to get **PACES** money already for Los Angeles. I asked about the hard 10,000 resident limit. He said it is all about how we frame our projects. He suggested we submit an LOI when the program opens on June 30 for some of the projects that we have. We will then receive a response from RUS whether our project is accepted. At that time, we can determine if we want to push forward.