

MASSENA ELECTRIC UTILITY BOARD
MINUTES of Tuesday, September 20, 2022
Town of Massena Electric Department – 71 East Hatfield Street

Present:

James Shaw
Rene Hart
Richard Maginn
John Bogosian
Eric Gustafson, Attorney

Andrew McMahon, Superintendent
Jeffrey Dobbins, Treasurer
Matt Gray, Deputy Superintendent
Margo Rochefort, Deputy Treasurer
Patrick Facteau, Town Liaison
Debra Willer, Town Liaison

Chairman Shaw opened the meeting at 1:00p.m.

1) APPROVAL OF MINUTES:

RESOLUTION:

The Massena Electric Utility Board hereby approves the minutes of the regular meeting of August 18, 2022 as presented.

Moved by John Bogosian - Seconded by Richard Maginn - All in Favor

2) OPERATIONS UPDATE: by Matt Gray, Deputy Superintendent

A. Safety: MED has not had a lost time injury since June 8th. Our consecutive days without a lost time accident now stands at 84 days.

There were no reportable injuries in June. This brings the number of days without a reportable injury to 447 days.

B. Customer Impact Chart: MED experienced 81,724 Customer Impact Minutes throughout the month of August. Our largest monthly total in the past 13 months. The largest Customer Impact was due to a windstorm that caused multiple outages on County Route 40 and in the Homecroft area. Even though we continue to record an above normal amount of Customer Impact Minutes, our 12-month average is still well below the top-quartile average and is now at 20,230.

C. Reliability: MED Crews received 12 calls in the month of August. Of the calls received, three calls affected only one Customer and nine calls affected more than one Customer. Ten of the calls received contributed to the monthly CIM total. The largest Customer Impact was an outage on Washington St due to a tree contact during a windstorm. This issue caused a 2-hour 40-minute outage for 253 Customers. The second largest CIM contributor was a tree contact on County Route 40 that occurred during the same wind event. This issue caused a one hour 30 minute outage for 451 Customers, as well as a momentary outage for the 1149 Customers on Circuit 2301 and the 1307 Customers on Circuit 2303. The remainder of the CIM contributing calls were relatively small in duration and impact and are mostly attributed to bird or animal contacts.

D. Work Schedule: The overhead to underground conversion on Dennison Road is now complete. Crews will now move on to the Fregoe Road pole relocation project. Crews have completed their work at the South Main Street Rail Road crossing. Crews have completed a single phase line extension on St Hwy 37 to feed the Northern Clearing laydown yard.

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

A. Write-Offs:

RESOLUTION:

The Massena Electric Utility Board hereby authorizes the write-off of bad debt totaling \$9,478.30 as audited by Mr. Rene Hart.

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

B. Power Comparison Graph: August power costs totaled \$448,000, highest total since March. Supplemental Power costs were over \$212,000 for the 2nd consecutive month. 2,985 MWh purchased, down from 3,800 MWh of incremental energy purchased in July. Incremental Energy rate was \$71.30/MWh, higher than previous months and compared to August 2021. Transmission costs were only \$21,500 for August. Zone D price was \$9/MWh less than Zone A/Niagara (\$62.660 vs \$71.69). Congestion credit projected for August as well, Zone A price was over \$86/MWh. Impact to customers - PPAC of less than \$0.01 for October. Peak Demand for August was 29,590 kW. Peak set August 29th at 5:00pm, during warm stretch at the end of August. MWh purchased, over 14,760. Peak and MWh purchased were both similar to previous years for August.

C. Cash Flow: The Operating Fund decreased slightly. The Operating Fund at month end remained over \$6.5 MM. August receipts were \$678,000. Customer payments remain steady. Sales were lower in June and July compared to 2021, resulting in receipts being underbudgeted by \$172,000. August expenditures totaled \$685,000, this was \$160,000 less than budgeted. Most expenditures were less than budgeted for the month including Salaries & Benefits.

D. Approval of Bills:

RESOLUTION:

The Massena Electric Utility Board hereby approves the bills as audited by Mr. Rene Hart totaling \$804,318.24.

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

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

A. Personnel:

1. Staff Update: Mr. McMahan reported that the staff is in good condition and that there is nothing notable to report.
2. Security Update: An active shooter drill is being set up with the town. Mr. Dobbins is still working on coordinating with local police on a tabletop exercise.

B. Finance & Economic Development:

1. Payment and Delinquency: Nothing to report

2. Energy Efficiency Programs:

Deputy Treasurer Rochefort reported to the board that there were still a few weatherization kits remaining from last year. Staff has started to receive requests for the kits from customers. To provide these kits during the 2022-2023 heating season additional kits are needed. A final quote for the kits is expected in the next week.

RESOLUTION:

The Massena Electric Utility Board hereby authorizes the purchase of weatherization kits, to be paid out of the Energy Efficiency Fund, not to exceed \$7500.00.

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

3. 2023 Draft Budget: (Documents Attached)

Treasurer Dobbins distributed the Draft 2023 Budget and the initial Capital Plan for 2023. The Capital Plan did not include many projects, primarily due to the long lead times for materials and equipment. Superintendent McMahon noted that he will be meeting with the Engineering Committee in the coming weeks to finalize the plan for 2023.

In addition to the Draft Budget, Treasurer Dobbins provided the board with updated Tariff language for their review. The section updated related to the Supplemental Purchase Power Adjustment Charge (PPAC). During the Covid-19 pandemic this charge was not utilized, including the 2021-2022 heating season. A series of high-bill complaints were raised and proposed language address some of those complaints and some of the unforeseen issues related to the Supplemental PPAC in previous years.

Treasurer Dobbins reported that the proposed changes to the Tariff were reviewed by NYPA, and they are supportive of the changes. The effective date is December 1, 2022, and pending approval by the MEUB. The 2023 Draft Budget reflects reinstating the Supplemental PPAC in 2023. Projected Revenues are over \$15 million. Projected usage by customers in 2023 is similar to this year. Power costs are projected to be higher in 2023, contributing to the projected increase in Revenues for 2023.

Expenditures for 2023 also reflect some of the inflationary costs we are experiencing now. 2023 Expenditures are projected at \$15.4 million. Increases are expected in most categories including Health Insurance, Contract Services, Consulting Services and Materials and Supplies. Treasurer Dobbins noted he would be discussing the budget with the Finance Committee again, prior to the October meeting.

4. Communications:

Mr. McMahon explained that winter energy prices are trending very high at this point. Prices in '19, '20 and '21 had been on the 20s and 30s through most of the year. Presently, energy prices are in the 70's and projections for the winter months are in the 90's. We will try to get the message out that we are looking at higher costs this winter via, WMSA, local print and digital media as well as bill stuffers. We will also encourage customers to prepare for this by considering energy efficiency measures.

Mr. McMahon and Mr. Shaw also emphasized that if the town receives high bill complaints, those complaints should be referred to MED.

C. Engineering & Energy:

1. Cybersecurity:

We are still staying in contact with IronNet and other cyber partners to implement all best practices. They have been no significant changes in the past month.

2. Forward Energy Procurement:

Mr. McMahon reported that he spoke with NYPA and while they do not have a final proposal at this point, they have no "show stoppers" to preclude the NYPA from offering the service. They have not finished the legal documents required to complete the process and hope to have this done by the end of the month.

There were no updates on the NextEra proposal.

3. Inventory:

Mr. McMahon explained that he and Mr. Gray have routinely met to discuss key inventoried items and their continued availability and cost. Transformers are the items of greatest concern and while we believe we have sufficient stock we are getting to the critical point particularly since lead times are extended about 4x what we saw pre-pandemic. Unfortunately, prices are about 4x what they were pre-pandemic. Mr. Shaw provided an article from Tupper Lake where their utility was suffering from similar challenges and having to delay construction.

4. Arbor Program:

MED continues to work with Alcoa and the village Arbor committee to improve the urban forest and raise awareness of the importance of trees.

5. EAB extra work:

Mr. McMahon and Mr. Gray have scoped out a series of Ash trees that will need to come down because of emerald ash borer infestation. They will focus on the village south of Grasse river and on route 420. We will be working with DFW to dispose of trees. The trees are all on main line circuits. We will report back on how stable the trees are as they are being taken down.

RESOLUTION:

The Massena Electric Utility Board hereby authorizes extra work related to the take down of trees related to the EAB, not to exceed \$25,000.

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

6. NYSERDA Submittals:

Two of three projects that were submitted were accepted. We expect to hear back from NYSERDA on next steps.

7. CAC/IIJA path forward:

CAC/IIJA/IRA funding are all still pending. We continue to monitor what type of projects will be eligible and what pots of money we can use to improve our distribution grid and community.

5) LEGAL ISSUES: *by Eric Gustafson, Attorney:*6) UNFINISHED BUSINESS:

Mr. McMahon advised the board that the 2011 Ford Fusion was put out to sealed bid. The high bid for this vehicle was \$6,500. Mr. McMahon recommended that we accept that offer.

RESOLUTION:

The Massena Electric Utility Board hereby accepts the highest bid for the 2011 Ford Fusion in the amount of \$6,500.00.

Moved by Rene Hart – Seconded by John Bogosian

7) NEW BUSINESS:

RESOLUTION:

The Massena Electric Utility Board hereby authorizes Chairman Shaw, Superintendent McMahon, Board member Raiti to attend the NYAPP fall meeting, October 12-13, 2022 in Corning, NY.

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

8) ARTICLES OF INTEREST:9) SCHEDULE OF EVENTS: Next regular meeting, Tuesday October 19, 202210) PUBLIC COMMENT:11) EXECUTIVE SESSION:

Motion to move into executive session at 1:53 p.m.

Moved by John Bogosian – Seconded by Rene Hart, All in Favor

Motion to move out of executive session at 2:20 p.m.

Moved by John Bogosian– Seconded by Richard Maginn All in Favor

Motion to adjourn at 2:21 p.m.

Moved by Rene Hart – Seconded by John Bogosian, All in Favor