

**MASSENA ELECTRIC UTILITY BOARD**  
**MINUTES of Thursday, September 21, 2023**  
Town of Massena Electric Department – 71 East Hatfield Street

Present:

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

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

Chairman Shaw opened the meeting at 1:04 p.m.

1) APPROVAL OF MINUTES:

RESOLUTION:

The Massena Electric Utility Board hereby approves the minutes of the regular meeting of August 17, 2023 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 8<sup>th</sup>, 2022. The number of consecutive days without a lost time accident now stands at 449 days.

There were no reportable injuries in July. This brings the number of days without a reportable injury to 812 days.

B. Customer Impact Chart: MED experienced 58,669 Customer Impact Minutes throughout the month of August. The largest Customer impact in August was due to a motor vehicle accident and broken pole on Main Street in the Village. With the elevated total CIM our 12-month average now stands at 31,490.

C. Reliability: Although MED Crews responded to only nine calls in the month of August, the majority of the calls received involved a Customer impact. The largest CIM contributor was due to the previously mentioned hit pole on Main Street. Fortunately, MED Crews were able to isolate the affected area however this outage affected four hundred forty-four Customers for thirty-two minutes, one hundred twenty-seven Customers for sixty-eight minutes and sixty-five Customers for four hours fifty-eight minutes. The second largest CIM contributor was due to a tree contact on Water Street that caused a whole circuit outage where four hundred eighteen Customers were without power for thirty-nine minutes. The remaining CIM contributing calls were routine in nature and involved minimal Customer impact.

D. Work Schedule: Crews are nearing the completion of make-ready activities in support of the SLIC fiber buildout in and around the Village of Massena. This project has consumed most of our summer construction schedule however it has provided the opportunity to increase the longevity of our infrastructure in the project area.

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 \$4,753.33 as audited by Mr. Rene Hart.

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

B. Power Comparison Graph: Power Costs \$420,000, in-line with previous years. NYPA Energy purchased was higher than previous month due to higher load share % and flat load. Supplemental Power costs were \$54,050. 2,300 MWh of incremental energy purchased during August, Zone D Average Energy rate was \$23.30/MWh. Transmission/ISO Exp totaled \$151,900 for August. Unforced Capacity was \$58,000, other ISO related charges were \$25,000. Charges for Transmission (NYPA and Long Sault) totaled over \$68,900. Impact to Customers – PPAC for Sept. of .06¢/kWh. MWh purchased, over 15,500, hourly load was fairly flat so MWh purchased remained similar to previous years. Peak Demand for Aug. was 27,890 kW, low end for Aug., due to the month being very mild. Roughly 5,000 kW less than July and lowest total for August since 2019.

C. Cash Flow: The Operating Fund increased by \$100,900. The Operating Fund at month end was \$7.3 MM. August receipts were over \$1 MM. Customers payments remain steady and were slightly less than projected for the month. Reimbursed work, \$69,000, make ready and reimbursement for Mutual Aid work from earlier this year. Interest revenue remains higher. August expenditures totaled \$976,900, \$8,000 less than budgeted.

## RESOLUTION:

The Massena Electric Utility Board hereby approves the bills as audited by Mr. Rene Hart totaling \$1,002,869.50

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

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

## A. Personnel

1. Staff Update: Mr. McMahon reported no significant updates.

## B. Finance &amp; Economic Development

## 1. Energy Efficiency Programs:

i. Commercial update: Treasurer Dobbins informed the board that a customer, who previously received an audit and a partial reimbursement for completing some of the work identified, submitted the paperwork for reimbursement of the remaining improvements identified. The customer made additional upgrades to LED lighting at their facility. Treasurer Dobbins noted that the customer was also a neighboring municipality and that they requested a check instead of a credit to the bill. The terms and conditions were amended a few years back to allow for this.

## RESOLUTION:

The Massena Electric Utility Board hereby approves a commercial energy efficiency reimbursement of \$1,881.32.

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

ii. Deputy Treasurer Rochefort reported to the Board that there were no weatherization kits remaining from last year. To replenish the supply for the upcoming heating season, Ms. Rochefort recommended that 500 kits be purchased. Treasure Dobbins noted that they had been in contact with a second vendor to supply the kits. He was awaiting a sample to evaluate the quality of the kits. The existing kits include supplies produced by Frost King, which are of a good quality. These kits are also a little more expensive than the quote from the new vendor. To have the kits on hand for the start of the upcoming heating season, Treasurer Dobbins requested that the resolution allows the purchase of 500 kits at a value not to exceed \$12,000. This would allow for all the kits to be purchased from the more expensive vendor if the quality from the new vendor was unacceptable.

## RESOLUTION:

The Massena Electric Utility Board hereby authorizes the purchase of 500 weatherization kits, to be paid out of the Energy Efficiency Fund, not to exceed \$12,000.

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

2. 2024 Draft Budget: Treasurer Dobbins reviewed the Draft 2024 Budget and initial Capital Plan for next year. The Budget presented, also included projected totals for 2023. The projections include lower revenues for 2023 compared the adopted budget. Projected expenses for 2023 are also lower, primarily purchase power expense. The budget adopted for 2023 included a net cash deficit of \$338,400. Based on the updated projections for 2023, the Department is expected to see a cash surplus of \$111,000.

The Draft Budget for 2024 includes revenues of over \$16 MM for the year, and expenses totaling over \$16.8 MM, resulting in a cash deficit of \$677,300. The increase in revenue includes some increase to MWh sold, as well as projected increases to incremental energy costs. Incremental energy costs are passed on to customers through the PPAC. The per MWh rate for incremental power is expected to be higher in 2024, resulting in projected incremental energy costs of \$4.4 MM for the year. Total energy costs for the year are projected at over \$9.2 MM and increase of over \$2.4 MM compared to projections for 2023.

Several other expenditures are also projected to be higher in 2024, including Capital Expenditures. Superintendent McMahon indicated that the initial capital plan includes various software and hardware upgrades to the Departments infrastructure. The plan also includes expenditures related to an AMI project (Automatic Meter Infrastructure), as well as the purchase of a couple of vehicles. Superintendent McMahon also noted that staff continues to review the expenditures proposed in the capital plan, and that staff will be meeting with the Engineering committee, and Finance committee, to finalize the capital plan for 2024.

## C. Engineering &amp; Energy

1. Cybersecurity: Mr. McMahon pointed to the bills which were just approved to demonstrate to the board that we are still working with Adirondack Tech on various initiatives to sustain our cyber security. He also pointed out that in recent weeks major casinos, local hospitals, and the

International Joint Commission (IJC) have been hacked. It would seem that hackers can get in anywhere if they are motivated. The hope is that we make it difficult enough that the hackers will determine we are not worth it. Mr. McMahon also noted that there is upcoming training discussing what to expect if you are hacked. This training is being put on by PURMA, the risk management association that assists in procuring the Department's Cyber Insurance coverage. The board is invited to attend this training and a notice will be sent out in advance of training. Mr. Dobbins reported that the Dragos system was deployed and that initial training on the system is planned for next week.

2. EAB extra work: We are continuing to work on the Ash issue. We are hopeful that the money just released from the federal government for resiliency will help us defray our costs on this initiative. While we are making progress there is still much work to do in combating this invasive species.

3. NYSERDA Submittals: Mr. McMahon described a frustrating conference call that occurred with NYSERDA. It seems there is a disconnect between what municipalities like Massena want to accomplish in their system study and what the consultants are willing to provide. It is remarkable. NYSERDA is going to try to rewrite the bid document they sent out in May and send the updated RFP out for bid again. They are hopeful to have some decision by November.

4. Grant funding CAC/IJJA/IRA: It seems like more money is getting from the federal government to NYS. We are going to participate in a process to help identify where makes the most sense for these funds with NYSERDA, NYS and other municipalities in October. The goal is to set up programs which are targeted at small entities like municipalities and co-ops.

We continue to work with NYPA and TPI on possible projects which make sense for our consumers utilizing funds released by the federal government. Most recently we are working with NYPA and TPI on PACES funding through RUS.

5. Transformer purchase update: We have received some recently ordered Transformers and others are still being processed. It seems like the supply chain issues are not improving dramatically.

6. Vehicle purchase. We are still hoping to receive these vehicles by year end. We're not sure how a possible auto industry strike would impact our orders.

7. Tree Power: Superintendent McMahon reported that the Department purchased a number of trees with funds left over from previous Alcoa grants, and leveraged that purchase with a NYPA incentive program to have maximum effect on the community.

8. AMI: Mr. McMahon discussed the end-of-life issues we are having with our present meter reading system which is a drive by AMR system deployed over 15 years ago. Staff and the engineering committee are contemplating purchasing an AMI system which utilizes 2- way communications. Staff has had preliminary discussions with vendors of AMI systems. More recently we have discussed the project with engineering firms that would help us write an RFP and help us specify what we really want. This is a project that could go as high as \$2 or \$3MM or as little as \$800k. We believe that having a consultant who has experience with multiple suppliers and experience with multiple communications methods will save us money in the end and help us get a system that is of most value to our rate payers.

Mr. McMahon asked that the board approve \$25k to commence preliminary engineering.

RESOLUTION:

The Massena Electric Utility Board hereby approves \$25,000 for a preliminary engineering study for purchase of an AMI system.

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

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

6) UNFINISHED BUSINESS:

7) NEW BUSINESS:

Mr. McMahon brought up the issue of potentially leaving MEUA. Noting this is something board members have been questioning for quite a while and perhaps it needs to be discussed further. Mr. Gustafson pointed out that if we are going to leave, advising MEUA prior to their approval of their budget October 10th would be beneficial.

Mr. Maginn asked that staff put together pros and cons of leaving and staying. He suggested a special meeting would be beneficial to discuss the issue. Mr. Shaw agreed and asked for a motion to have a special meeting to discuss the issue. The special meeting was set for October 5.

8) ARTICLES OF INTEREST:

9) SCHEDULE OF EVENTS: Next regular meeting scheduled for October 19, 2023

10) PUBLIC COMMENT:

11) EXECUTIVE SESSION:

Motion to move into executive session at 2:01 p.m.

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

Motion to move out of executive session at 2:19 p.m.

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

Resolution

The Massena Electric Utility Board hereby Authorizes Chairman Shaw to Sign the Individual Service Agreement as presented in executive session.

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

Motion to adjourn at 2:19 p.m.

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