

MASSENA ELECTRIC UTILITY BOARD
MINUTES of Tuesday, October 24, 2023
Town of Massena Electric Department – 71 East Hatfield Street

Present:

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

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

Chairman Shaw opened the meeting at 1:03 p.m.

1) APPROVAL OF MINUTES:

RESOLUTION:

The Massena Electric Utility Board hereby approves the minutes of the regular meeting of September 21, 2023 as presented.

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

RESOLUTION:

The Massena Electric Utility Board hereby approves the minutes of the special meeting of October 5, 2023 as presented.

Moved by Charles Raiti - 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, 2022. The number of consecutive days without a lost time accident now stands at 479 days. There were no reportable injuries in September. This brings the number of days without a reportable injury to 842 days.

Safety Note – Lou Gabrielle with NEPPA was on site to present a lock-out/tag-out and confined space training to all line personnel. Also, our Technician department attended a two-day Schweitzer seminar in Philadelphia, PA. This provided our Technicians the opportunity to train on our relaying and metering devices with Schweitzer Application Engineers.

B. Customer Impact Chart: MED experienced a second consecutive month of elevated Customer Impact Minutes with 50,656 Customer Impact Minutes recorded. The largest Customer impact in September was a failed station service transformer at Grasse River that caused 50,656 Customer Impact Minutes. With the large amount of CIM our 12-month average has increased to 31,490. An increase of almost 5,000 compared to last month.

C. Reliability: MED Crews responded to a comparatively low number of calls with only six calls received in the month of September. Three of the six calls received involved a Customer impact with the largest CIM contributor being the previously mentioned issue at Grasse River Substation. The faulted station service transformer caused a Bus 2 fault and isolation that affected two

thousand one hundred ninety-eight Customers for twenty-three minutes. The second CIM contributor was due to a broken cutout that affected one Customer for one hour forty-two minutes. The third CIM contributor occurred when a delivery truck contacted a service drop on Gladding Road. This issue caused a 30-minute outage for one Customer. MED crews also contended with a hit pole on Dennison Road, however no Customers were affected. The remainder of the calls in September were minor in nature and involved no Customer impact.

D. Work Schedule: Crews have completed make-ready work associated with the fifteen pole attachment applications that were submitted by SLIC in the Village of Massena, and the Towns of Massena, Louisville and Norfolk. Also, Crews have addressed an issue with street lighting that has arisen over the previous months. Some of the LED street lights that we have installed in the past few years have begun to change to a purple shade of light. This issue has been discussed with the light supplier and they are replacing the malfunctioning units. This issue affects approximately 40 units that were purchased since we began our conversion to LED street lighting.

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 \$4,037.02 as audited by Mr. Rene Hart.

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

B. Power Comparison Graph: Power Costs \$489,000, higher than previous years. NYPA Energy purchased was lower due to lower load share %. High Peak at the start of the monthly negatively impacted Hydro allocation. Supplemental Power costs were \$117,000. 4,075 MWh of incremental energy purchased during September. Zone D Average Energy rate was \$28.70/MWh. Transmission/ISO Exp totaled \$172,160 for September. Unforced Capacity was \$56,600. Other ISO related charges were over \$50,000. Charges for Transmission (NYPA and Long Sault) totaled over \$65,560. Impact to Customers – PPAC for September of 1.1¢ / kWh. MWh purchased, over 14,900, highest total for September. Remainder of the month was cooler so total MWh purchased was not as high as other summer months. Peak Demand for September was 32,500 kW, highest Peak for Sept., 1st time over 30,000 for September. One of the highest Summer Peaks for the Dept. Set during the warm stretch at the start of the month.

C. Cash Flow: The Operating Fund decreased by \$210,300. The Operating Fund at month end was \$7.1 MM. September receipts were \$938,700. Customers payments were less than projected for the month. Interest revenue remains higher. September expenditures totaled just under \$1.15 MM, which was \$199,200 less than budgeted.

RESOLUTION:

The Massena Electric Utility Board hereby approves the bills as audited by Mr. Rene Hart totaling \$779,960.09

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

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

A. Personnel

1. Staff Update: Mr. McMahon reported there were no significant updates on staff.

B. Finance & Economic Development

1. Energy Efficiency Programs:

i. Commercial update: Treasurer Dobbins updated the board on the Massena Housing Authority's lighting project. MHA has completed 87 rooms/apartments. Including office space, common areas, apartments and maintenance buildings, over 250 locations will be upgraded once the project is complete. They have requested over \$12,000 for reimbursement to date, which is nearly half of the assistance approved by the board. Treasurer Dobbins noted he intends to show some pictures of the work completed at the November meeting.

Treasurer Dobbins also reported additional commercial audits are scheduled. They include a business looking to make lighting upgrades and a second that is looking to upgrade a motor used at their facility.

ii. Residential update: Mr. McMahon discussed some heat pump ideas that MED staff has been working on with Liberty Utilities (aka St. Lawrence Gas). We met with Mark Saltsman and Heather Tebbets of Liberty to discuss potentially mutually beneficial ideas for home heating that would leverage Federal grant money. Liberty has done some projects in New Hampshire where they are based and we reviewed other alternatives. We discussed Community Geothermal networks. But we focused on hybrid heat pumps that would utilize electric most of the year but in the coldest periods they would utilize gas to supplement the heating needs. This allows Liberty to stay in the home heating market. It is advantageous for MED and our ratepayers because if electrical load is growing in the coming years this type of hybrid unit would allow the growth without requiring MED to expand our system capacity. Liberty believes they will have support from the PSC to do a pilot project of 30-100 homes.

Treasurer Dobbins indicated that there have been a few residential audits this fall. He is awaiting the reports from these audits. He also noted that there has been renewed interest by residential customers to install Heat Pumps. This was previously discussed by the Finance Committee and no decision was made on a specific program. Based on the new interest and the recent discussion with Liberty Utilities, Treasurer Dobbins plans to discuss this again with the Finance Committee.

2. 2024 Draft Budget: The proposed budget presented was the same as the budget discussed at the September meeting. Treasurer Dobbins indicated that there were no significant changes to the underlying factors that impact the budget, expected power costs and proposed capital projects. Superintendent McMahon noted that projects listed in the capital budget are those that Staff has identified as areas of need. Additional work is being done to more accurately determine the cost for these projects and that as more information is received he and Staff would discuss the projects in more detail with the board.

RESOLUTION:

The Massena Electric Utility Board approves the Proposed 2024 Budget as presented.

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

3. Website update: Treasurer Dobbins reported to the board that additional work had been done to update the website. This was started earlier this year and includes a change in the layout and content. Prior to going live with the new site, Treasurer Dobbins planned to send the board a link to the new site for their review. He asked that they provide any feedback to him by the following week so they could be incorporated into the new site.

C. Engineering & Energy

1. Cybersecurity: Mr. McMahon discussed cyber security training that had occurred earlier in the day. A number of board members had participated in this training and it wasn't as good as Mr. McMahon had hoped but it did give some insight into what a post cyber-attack environment would look like and how our insurer would help. Mr. McMahon had hoped for further elaboration on what services would be covered.

2. EAB extra work: MED Contractors continue to address infected ash trees. Throughout the summer growing season their main focus has been tree trimming, however if there was a problem ash tree in the areas they were trimming, the ash tree was addressed. Now that the growing season has ended, we will be able to shift our focus more towards ash tree removal.

3. NYSERDA Submittals: Mr. McMahon discussed the NYSERDA grants that are still in process. He explained the potential benefit of the water heater control project that we are working on with SUNY Canton. He explained that we presently control 900 water heaters that count for a peak of approximately 600 KW of load that can be shifted to non-peak hours. We believe there are over 4000 electric water heaters on the system already that we are not controlling. We had tried to utilize an EPRI water heater unit that worked reasonably well and could act based on numerous factors, but the price of the EPRI units was approximately \$1700 versus a standard electric water heater that is \$600. Our goal is to find a way to control the water heaters based on some critical factors used by the EPRI unit but at a more manageable price for our consumers.

4. Grant funding CAC/IIJA/IRA: Mr. McMahon advised the board that the NYSERDA projects are still taking shape. Further, the Federal grant money from IIJA and IRA is just starting to flow to the states including NY. Some money has gone out in a more direct manner but not for projects that MED could realistically manage or fit our needs.

5. Transformer purchase update: Transformers are still coming around April next year.

6. Vehicle purchase update: Vehicles are scheduled to arrive later this year.

7. Tree Power: Trees were purchased under NYPA's tree power program with grant money from Alcoa.

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

6) UNFINISHED BUSINESS: Mr. McMahon provided a written summary of the Cooperstown meeting. Mr. Shaw elaborated on the Cap and Invest portion of the meeting saying it creates a very dire vision for the future.

7) NEW BUSINESS:

8) ARTICLES OF INTEREST:

9) SCHEDULE OF EVENTS: Next regular meeting scheduled for November 16, 2023

10) PUBLIC COMMENT:

11) EXECUTIVE SESSION:

Motion to move into executive session at 2:05 p.m.
Moved by Charles Raiti – Seconded by Rene Hart- All in Favor

Motion to move out of executive session at 2:45 p.m.
Moved by Richard Maginn – Seconded by John Bogosian -All in Favor

Motion to adjourn at 2:45 p.m.
Moved by John Bogosian – Seconded by Rene Hart- All in Favor

DRAFT

**MASSENA ELECTRIC DEPARTMENT
2024 Budget**

APPROVED

10/24/2023

		2022 Actual	2023 Budget	Projected 2023		2024 Budget	
					% Change		% Change
					from Budget		Projected
1	REVENUES						
2	RECEIPTS FROM CUSTOMERS	\$ 13,564,127	\$ 14,959,200	\$ 13,023,000		\$ 15,853,200	
3	REIMBURSED PROJECTS	114,293	45,000	260,000		45,000	
4	RVRDA CONSULTING FEE	30,000	30,000	30,000		30,000	
5	INTEREST INCOME	42,813	46,800	191,500		237,600	
6	TOTAL REVENUES	\$ 13,751,233	\$ 15,081,000	\$ 13,504,500	-10.5%	\$ 16,165,800	19.7%
8	EXPENDITURES						
9	SALARIES & WAGES	\$ 1,858,448	\$ 1,939,600	\$ 1,924,000		\$ 2,002,000	
10	HEALTH INSURANCE	478,036	520,800	484,900		515,000	
11	FICA & NYS RETIREMENT	439,549	358,600	348,300		393,100	
12	Salaries & Employee Benefits	\$ 2,776,034	\$ 2,819,000	\$ 2,757,200	-2.2%	\$ 2,910,100	5.5%
14	NYP&A POWER	\$ 1,905,845	\$ 1,949,800	\$ 1,898,600		\$ 1,940,000	
15	INCREMENTAL POWER	3,749,201	4,165,700	2,325,500		4,428,300	
16	ISO/TRANSMISSION	676,365	1,674,000	1,904,500		2,119,400	
17	CES - Clean Energy Standard	933,884	940,600	726,400		777,700	
18	Power & ISO	\$ 7,265,296	\$ 8,730,100	\$ 6,855,000	-21.5%	\$ 9,265,400	35.2%
20	CONTRACT SERVICES	\$ 117,656	\$ 196,000	\$ 199,000		\$ 205,800	
21	CONSULTING SERVICES	56,782	148,200	120,400		85,200	
22	LEGAL SERVICES	167,320	215,000	210,600		220,100	
23	FINANCIAL SERVICES	28,943	31,000	30,000		32,900	
24	NYS SALES TAX	556,377	588,000	515,000		627,000	
25	REAL ESTATE TAXES	605,274	617,200	614,600		627,900	
26	POSTAGE	55,445	66,100	64,800		68,400	
27	TELEPHONE	8,124	14,400	25,400		25,400	
28	CONSUMER REFUNDS	71,363	52,800	60,000		52,800	
29	INSURANCE	197,309	217,800	209,700		234,300	
30	OTHER OPERATING EXP.	605,901	569,900	565,100		611,500	
31	Paid to Suppliers & Vendors	\$ 2,470,495	\$ 2,716,400	\$ 2,614,600	-3.7%	\$ 2,791,300	6.8%
33	MATERIALS & SUPPLIES	\$ 529,237	\$ 512,400	\$ 640,500		\$ 704,400	
34	DEBT SERVICE:						
35	PRINCIPAL						
36	INTEREST						
37	Contrib. Depr Fund/Capital Exp	78,128	425,000	310,000		965,000	
38	CONTRIB. TO INS FUND	-	-	-		-	
39	CONTRIB. to Post Retire. Hlth Ins Fund	-	-	-		-	
40	ENERGY EFFICIENCY	1,747	216,500	215,900		206,900	
41	Utility Investment & Other Activities	\$ 609,112	\$ 1,153,900	\$ 1,166,400	1.1%	\$ 1,876,300	60.9%
43	TOTAL EXPENDITURES	\$ 13,120,937	\$ 15,419,400	\$ 13,393,200	-13.1%	\$ 16,843,100	25.8%
45	CASH SURPLUS (DEF.)	\$ 630,296	\$ (338,400)	\$ 111,300		\$ (677,300)	
47	Operating Fund Balance (12/31)	\$ 6,538,226	\$ 6,199,826	\$ 6,649,526		\$ 5,860,926	