

MINUTES of the Penn Yan Municipal Utilities Board Meeting held January 16, 2014 in the MUB Meeting Room of the Village Hall, 111 Elm Street, Penn Yan, NY.

Attendees: Chairman Rom French, Commissioners Dan Banach, Bruce LeClaire, David Payne and Leigh Mackerchar, Village Trustee Willie Allison, Clerk-Treasurer Gary Meeks, Director of Public Works Brent Bodine and Assistant Director of Public Works Bill Jensen

Also in Attendance: Mayor Church, Village Engineer Bob Elliott, Kurt Gilbert, WWTP Plant Mechanic and Jim Baase, Sr. Vice President, Empire/North Penn Telephone

Chairman French called the meeting to order at 8:30 am.

Approval of the 12/12/13 Meeting Minutes

MOTION by Commissioner LeClaire, seconded by Commissioner Banach to approve the minutes of the December 12, 2013 MUB meeting with no corrections.

MOTION CARRIED.

Public Requests and Comments

None.

Employee Recognition – Kurt Gilbert, WWTP Plant Mechanic

Mayor Church read a letter addressed to WWTP Plant Mechanic Kurt Gilbert whose actions have saved equipment at the plant and have also saved the Village money. In the letter, it states:

“It has come to our attention that you have successfully incorporated protective measures at the Wastewater Treatment Plant, saving the Village money and preserving vital plant equipment.

According to WWTP Chief Operator, Ben Sward, on December 27th you spotted a broken hold-down bolt on Rotating Biological Contactor #1 and made repairs before the anchor plate failed and the speed reducer was destroyed. He also reported that, earlier in December, the torque arm on Contactor # 15 failed when the inch-and-a-quarter thick adjustment bolt broke in the middle. He said, if not for your foresight, this would have resulted in the speed reducer, worth approximately \$20,000, being smashed against the concrete floor with full force.

Thanks to your initiative and persistence earlier in the year, you had convinced Ben to authorize the installation of safety cables on all sixteen speed reducers, ultimately avoiding such a situation.

In 2013, the Village obtained the approvals and funding needed to replace the ten original Contactors at the WWTP. These Contactors were originally installed in 1983. With a life expectancy of twenty years (2003), they had begun to fail well before that time. Due to your suggestions about emergency reinforcement with steel strapping over the course of the past

fifteen years, they have continued to function and have kept Penn Yan wastewater treatment compliant with EPA and DEC requirements.

Thanks to your efforts, Penn Yan gained an extra decade to raise the money for the multi-million dollar project currently getting underway to replace the failing machinery.

Your attentiveness and ingenuity has prevented permit violations, saved the Village tens of thousands of dollars, and protected the equipment from a very untimely failure. We appreciate your hard work and dedication and would like to say “job well done!”

(Mr. Gilbert left the meeting at 8:40 am.)

Jim Baase, Sr. Vice President, Empire/North Penn Telephone

Mr. Baase was present to speak to the Municipal Board about bringing his company’s voice and internet services to Penn Yan. He represents the Empire family of companies. Empire Access is an independent, local exchange carrier for Empire Telephone and, in rural areas, fills in the gaps of large carriers such as Verizon. The Empire family of companies employs seventy-five people, has a 600-mile fiber optic network, and can provide services including engineering, construction of the network, customer service, billing and technical assistance using in-house resources. They launched their services in Hammondsport last year and the network in Bath is currently under construction. Mr. Baase anticipates that the networks in Watkins Glen and Troy will be online next month. He hopes to be able to add Penn Yan to that list toward the end of this year, with the Board’s permission and approval by the Village Board. Penn Yan would need to develop a franchise agreement with Empire similar to the agreement that already exists with Time Warner. Empire would like to attach their equipment to about 150 poles owned by the Village. Empire would pay a percentage of their gross revenues generated from their service provided in the Village of Penn Yan. Mr. Baase stated that the benefits to Penn Yan would be gigabyte internet speeds, better customer service and lower prices for broadband service versus other providers.

(Mr. Baase left the meeting at 9:03 am.)

Attorney Brockman stated that he has no problem with the concept of allowing Empire to service Penn Yan, but suggested that the existing franchise agreement with Time Warner be reviewed as he and Director Bodine work to develop an agreement with Empire. This matter would require a Public Hearing if we decide to move forward with having an agreement with Empire.

MOTION by Commissioner LeClaire, seconded by Commissioner Payne to adjourn into Executive Session at 9:04 am to consult with Attorney Brockman on contractual issues.

MOTION CARRIED.

MOTION by Commissioner LeClaire, seconded by Commissioner Payne to adjourn out of Executive Session and return to the regular meeting at 9:36 am.

MOTION CARRIED.

Audit

MOTION by Commissioner Banach, seconded by Commissioner LeClaire to approve the audit

as presented and to recommend to the Village Board that the Municipal bills for the month be paid as follows:

Paid Before Audit:

General	\$5,103.14
Electric	\$262,941.50
Sewer	\$1,256.27
Water	\$627.40
CRC	\$0.00

Total Paid Before Audit \$269,928.31

Current Audit:

General	\$81,056.95
Community Development - CRC	\$0.00
Electric	\$47,869.74
Sewer	\$136,046.98
Water	\$14,668.30
Capital Projects	\$0.00

Total Current Audit \$279,641.97

TOTAL AUDIT

\$549,570.28

Treasurer's Report

Year-to-Date Revenue and Expense Analysis

Electric:

Electric revenue is at 50% of the projected budgeted amount and expenses are at 47% of the projected budgeted amount. There are some annual expenditures we pay for, such as PILOT programs and rent; once those entries are made, Clerk-Treasurer Meeks believes we'll be close to breaking even. Also, we're going to be reimbursed \$90,000 for the DOT traffic signal project and the PPAC adjustments will result in about \$9,000 a month of incremental revenue over the next several months. Another item helping the electric fund is the rate increase that just took effect.

Sewer:

Sewer revenue is at 55% of the projected budgeted amount and expenses are at about 45% of the projected budgeted amount. Right now, we are at about \$203,000 under budget. There is an annual charge for depreciation, which will use up about \$200,000 of that money. One reason revenue is greater than expenses is because part of the revenue is money we're collecting from Jerusalem and Milo for the WWTP project; a capital reserve fund will be established for that revenue so we can pay for that debt down the road. One sewer account is running high and that item is for sludge hauling and landfill fees. According to Clerk-Treasurer Meeks, he may need to do a budget transfer to get another \$17,000 or so into the WWTP budget before the end of the fiscal year to cover these fees and we may need to defer some expenses in our process machinery account to enable that transfer.

Water:

Water revenues are at 57% of the projected budgeted amount and expenses are at 44% of the projected budgeted amount. There is no depreciation or rent charged to the water fund, so

the figures are very close to our projected budget. Money will need to be put into the wholesale water reserve fund for future projects.

So, year-to-date, all of the funds are in the black. Clerk-Treasurer Meeks will closely monitor all the funds until the end of the fiscal year to make sure they stay on track.

Water Fund Cash Trend Charts

Clerk-Treasurer Meeks distributed an updated restricted and unrestricted cash balance trend chart for the water fund. The chart shows twelve months of data but he proposes that, going forward, he provide thirteen months of data instead.

Electric Purchased Power Cost Adjustments

When we applied for an electric rate increase, the PSC authorized us to do an annual PPA reconciliation. This reconciliation shows what the power costs us to purchase and what we billed through our customers to determine if we billed them too much or too little. Reconciliations done for the past two years revealed that we under-billed our customers by about \$30,000 each of those 2 years. Also, we used an efficiency factor to calculate those bills and that factor was incorrect. Clerk-Treasurer Meeks said he is going to work that cost into the electric bills over the course of the next twelve months, which will result in about \$25,000 in revenue for the electric fund.

Transmission Congestion Charges (TCC's)

The Village pays approximately \$103,000 in Transmission Congestion Charges each year. In recent years, we have not billed this item through the customers. Clerk-Treasurer Meeks stated that he will be billing that through the customers over the next twenty-four month period, which should result in revenue of \$8,600 each month during that time.

Composting Project Financials

Clerk-Treasurer Meeks is working with Municipal Solutions to develop a financing plan for the composting facility, a \$917,600 project. Fifty percent of that amount will be paid for with a grant, but the Village will not receive any money until the project has been completed. Clerk-Treasurer Meeks said he considered if there could be increases in our costs as a result of this project and he believes the answer is 'no'. Are there costs that could decrease? We would be able to save \$65,000 a year in sludge hauling and landfill fees. The Town of Jerusalem would be responsible for 31% of the debt and the Town of Milo would be responsible for 9.9% of the debt. Both Towns will benefit from WWTP operational savings after about seven years. Clerk-Treasurer Meeks spoke to Municipal Solutions about taking out a Bond Anticipation Note (BAN) for the \$917,600 of up-front financing needed. There is a five-year limit on BANs. Clerk-Treasurer Meeks would like to pay it off in five years so we wouldn't need to bond it. He shared a tentative payment schedule with the Board taking into account the anticipated 1.25% in interest for the BAN. When the project is completed in a couple of years, we will receive the grant money and use that to help pay down the BAN. The Board agreed that conversations should be held with the Supervisors of Jerusalem and Milo in the near future so they understand what their anticipated monetary contribution would be for the composting project.

Electric

NYPA Firm Hydro Energy for January – No Reduction

Update – Liberty Street NYSDOT Traffic Signal Project

The electric crew is continuing work on the traffic signal project on Liberty Street for the NYSDOT. The intersection of Liberty and Chapel Streets is nearly complete. Once that intersection is finished, the crew will begin work at Liberty Street and North Avenue. The cold weather has slowed work somewhat over the past couple of weeks.

Authorization to Go Out for Bids for LED Post Top Lights

Director Bodine has developed a specification and would like to go out for bids to replace the old post top lights on Main and Elm Streets with new, LED fixtures. These would be purchased using IEEP funds.

MOTION by Commissioner LeClaire, seconded by Commissioner Mackerchar to recommend to the Village Board that they authorize going out for bids for LED post top luminaires for Main Street and Elm Street.

MOTION CARRIED.

Authorization to Go Out for Bids for Fencing

Director Bodine has developed a specification and would like to go out for bids for fencing to be used around a transformer storage area near the Wastewater Treatment Plant.

MOTION by Commissioner Payne, seconded by Commissioner Mackerchar to recommend to the Village Board that they authorize going out for bids for fencing to be used around a new transformer storage area near the Wastewater Treatment Plant.

MOTION CARRIED.

Water/Sewer

FLWWC Membership Dues for Five Employees

FLWWC membership dues are due next month for Brent Bodine, Steve Castner and Brad Braman and new employees Tim Logan and Dave Cohick.

MOTION by Commissioner Mackerchar, seconded by Commissioner Payne to recommend to the Village Board that they authorize paying the three-year FLWWC membership dues for five (5) employees (\$15 each = \$75 total).

MOTION CARRIED.

FLWWC Annual Business Meeting

The FLWWC Annual Business Meeting is being held February 6th in Geneva, NY.

MOTION by Commissioner Mackerchar, seconded by Commissioner Payne to recommend to the Village Board that they authorize the attendance of up to four (4) employees at the FLWWC Annual Business Meeting being held February 6th in Geneva, NY at a cost of \$22.00 per employee.

MOTION

CARRIED.

Update – Second Household Survey Mailing – Seneca Street

A second letter asking residents on Seneca Street to complete and submit a household survey was mailed last week by LaBella Associates. Trustee Allison and Commissioner Payne will go door-to-door in the next few days to talk to those who have not yet returned

their survey to explain to them why their response is so important in our quest to secure grant money to improve the infrastructure on that street.

'The Value of Water' Pamphlet; Use as a Bill Stuffer?

Assistant Director Jensen came across a pamphlet on the AWWA web site called 'The Value of Water'. A quote to print 2,000 of them so they could be inserted into the utility bills was obtained from the Yates ARC print shop. The quote was \$560. The Board discussed other, cheaper alternatives. The information presented in the pamphlet could be used as a basis for a newspaper article written in-house, or a link to the site where this pamphlet is available could be linked from the Village web site. Another option would be to list the link as a blurb on the utility bills, which wouldn't cost anything. This will be discussed further during the February MUB meeting.

Sewer Bill Forgiveness – 504 Liberty Street Apartment A

A water line break occurred recently in Apartment A at 504 Liberty Street, a property owned by Dan Morse. Forty thousand gallons of water was released into the basement and all of it was pumped out. Mr. Morse is asking if \$202 of the sewer bill could be forgiven for that apartment, since he does not believe that any of the water entered the sanitary sewer system. A water/sewer crew member visited the apartment and determined that the water did not enter the sanitary sewer.

MOTION by Commissioner Mackerchar, seconded by Commissioner Payne to recommend to the Village Board that they authorize the forgiveness of \$202 in sewer charges for 504 Liberty Street, Apartment A.

MOTION CARRIED.

Water Treatment Plant

Water Operator Certification Course

A Grade A Water Operator Certification Course is being offered May 5th – 9th and May 12th – 16th in Tonawanda, NY. The two new water plant operator trainees, Tim Logan and Dave Cohick, will need to attend this training. The cost is \$825 per person for the course and \$1,190 per person for the hotel stay for a total of \$4,030 for the two employees.

MOTION by Commissioner Payne, seconded by Commissioner LeClaire to recommend to the Village Board that they authorize the attendance of Tim Logan and Dave Cohick at the Water Operator Certification Course being held for two weeks (May 5th – 9th and May 12th – 16th) in Tonawanda, NY; the course is \$825 per person and the hotel stay is \$1,190 per person for a total of \$4,030 for the two employees.

MOTION CARRIED.

Declare WTP Salt Spreader as Surplus

A new pickup truck is on order for the water plant. This new pickup will have a tailgate rock salt spreader as one of its features, therefore, the old salt spreader used since the year 2000 can be declared as 'surplus'. The spreader is valued at \$3,622. Director Bodine would like to try to sell it through the auction or on e-bay for fair market value.

MOTION by Commissioner Payne, seconded by Commissioner LeClaire to recommend to the Village Board that they declare the Water Treatment Plant's salt spreader as 'surplus' and either

sell it at auction or through e-bay for fair market value.
CARRIED.

MOTION

Wastewater Treatment Plant

CWSRF Project Update

The electrical contractor, Blackmon-Farrell is currently on site and the general contractor, Blue Heron, will coordinate the work schedule with the other contractors.

NYWEA Seminar

Ben Sward would like to attend the NYWEA seminar being held February 12th in Rochester, NY at a cost of \$125.

MOTION by Commissioner Mackerchar, seconded by Commissioner Payne to recommend to the Village Board that they authorize the attendance of Ben Sward at the NYWEA seminar being held February 12th in Rochester at a cost of \$125.

MOTION CARRIED.

Execution of the Composting Grant (MWRR Project #8-MSWSS-150)

MOTION by Commissioner Banach, seconded by Commissioner LeClaire to recommend to the Village Board that the composting grant agreement be executed (MWRR Project #8-MSWSS-150).

MOTION
CARRIED.

Execution of the Proposed Engineering Contract for the Composting Project

MOTION by Commissioner Banach, seconded by Commissioner Payne to recommend to the Village Board that the proposed engineering contract from Elliott Engineering Solutions (for a cost not to exceed \$90,500) for the composting project be executed.

MOTION CARRIED.

Other

Backflow Prevention Device Testing Recertification

Assistant Director Jensen's certification as a backflow prevention device tester will expire in May. He would like to attend a recertification course being held March 14th in Rochester, NY at a cost of \$195.

MOTION by Commissioner Payne, seconded by Commissioner LeClaire to recommend to the Village Board that they authorize the attendance of Bill Jensen at the Backflow Prevention Device Testing Recertification program being held March 14th in Rochester, NY at a cost of \$195.

MOTION
CARRIED.

Engineering Estimate for the Widening of Franklin and Sherman Streets

Director Bodine received an estimate of \$6,700 from Elliott Engineering Solutions to engineer the widening of Franklin and Sherman Streets. These streets will be widened to meet our Village standards for road width. The road work will be scheduled to be done sometime during the next fiscal year. It will be done once Willow Road has been completed so that access to that area of the village can be maintained. Director Bodine asked the Board

if it would consider paying for a portion of this engineering work, since the deteriorated roadways are largely due to truck traffic going back and forth to the Wastewater Treatment Plant for sludge hauling. The Board agreed to pay for forty percent of the engineering estimate.

MOTION by Commissioner Payne, seconded by Commissioner Mackerchar to recommend to the Village Board that the payment for the engineering estimate for the widening of Franklin and Sherman Streets (\$6,700) be shared by the MUB and the Village with the MUB paying 40% (\$2,680) and the Village paying 60% (\$4,020) of the estimate.

MOTION CARRIED.

Payment Agreements - \$11,639.32

MOTION by Commissioner Banach, seconded by Commissioner Mackerchar to accept the payment agreements in the amount of \$11,639.32.

MOTION CARRIED.

Village Engineer's Report

Village Engineer Elliott is completing the annual WWTP report that he submits to the Village each year. This report will then be signed by Clerk-Treasurer Meeks and submitted to the DEC.

Village Board Meeting

Chairman French and Commissioners Banach and Mackerchar plan to attend the Village Board meeting on January 21st.

Service Requests

The Board reviewed the Municipal and Village service requests; no comments were made.

Executive Session

MOTION by Commissioner LeClaire, seconded by Commissioner Banach to adjourn into Executive Session at 11:01 am to discuss the work history of an employee.

MOTION CARRIED.

MOTION by Commissioner LeClaire, seconded by Commissioner Banach to adjourn out of Executive Session and return to the regular meeting at 11:36 am.

MOTION CARRIED.

Next Meeting

The next meeting of the Municipal Board will be held on Thursday, February 13th at 8:30 am in the MUB Meeting Room.

Adjournment

MOTION by Commissioner Payne, seconded by Commissioner LeClaire to adjourn the meeting at 11:42 am.

Karen M. Fox,

Secretary